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NOTICE.—The BANKERS' MAGAZINE having been consolidated with RHODES' JOURNAL OF BANKING, the volume number of the former only is retained.

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ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

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BANKERS' OBITUARY RECORD.

THE

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FIFTY-SIXTH YEAR. JULY, 1902. VOLUME LXV, No. 1.

THE $130,000,000 OF BONDS to be issued for the purchase and construction of the Panama Canal are to bear interest at two per cent. The period to maturity of these securities does not appear to have been fixed, but there is a provision that they shall not be sold for less than par. The two per cents of 1930 now command a premium of between eight and nine per cent., so high in fact that the banks holding them as a basis for circulating notes are retiring them to secure the premium.

It can readily be seen that the bond issues required for the interoceanic canal, even if payable at the option of the Government, will be a favorite investment for banks desiring circulation. If payable at any time after reasonable notice, they will also afford a safety-valve for the disposition of surplus revenues.

Since, then, the construction of a canal has been decided upon as a measure of public policy, it is highly probable that it will not only accomplish the commercial and economical results for which it is intended, but will indirectly benefit monetary conditions by affording an additional basis for bank currency under present laws, and by relieving the Treasury of some of its difficulties in dealing with the surplus revenue. If there shall be little or no surplus revenue the bonds will remain for a longer period available as a basis for bank-note circulation, and the necessity of devising new security for such circulation will be postponed. In any event it is not probable that the surplus revenue will absorb the bonds necessary for the construction of the canal, for at least two or three years to come, and perhaps longer. In other words, the construction of the canal will make it very easy for the National banks to meet all demands for additional currency for the period named. Within that time the banks, without any additional legislation, may be able to devise by their own efforts some new method of meeting the demand for currency. As it is the bank

demand for bonds is chiefly responsible for the high premium on the thirty-year two per cents, and the additional issues for the canal will tend to reduce this premium, and thus check the retirement of circulation now outstanding. Even if the surplus revenue should be sufficient to retire the canal bonds within short periods after their issue, this would not necessarily mean the immediate retirement of the circulation that might be issued upon them. There have been many instances in the past where banks have for long periods held bonds, on which interest had ceased, as a security for circulation.

The present system of bank-note security has been so beneficial in placing the loans of the United States on good terms, and there are yet so many possible occasions that may arise making new loans necessary, that it is not surprising that Congress moves very slowly in changing a principle which is as old as the Constitution. When Washington asked Hamilton what should be done with the Revolutionary debt, the latter replied, "bank on it." Although the first National bank did not in magnitude come up to Hamilton's ideas, yet it invested largely in Government bonds and aided greatly in the funding of the debt then existing. Hamilton, however, although he regarded a National bank as an important support of national finance, had no idea of tying the circulation privilege to Government securities in the manner National bank notes are now bound under the present law. His idea appears to have been to require the National bank to invest its capital in Government securities, but to leave its circulation free. That is, in return for the privilege of issuing promissory notes the bank was required when necessary to lend its capital to the Government, and to afford it other assistance in placing its loans. The bank was left free to deal in securities as it saw opportunity, and was not obliged to retire its circulation in order to sell whenever it saw fit.

The introduction of free banking in response to the repeated demands of the people, and the abolition of the monopolistic National banks, rendered it necessary, for better security, to connect the circulation privilege more closely with the bonds taken by the banks. The idea of sustaining the national credit by bank assistance was common to the ideas of both Hamilton and Chase.

The great aid given by the National banks in all the loans and refunding operations of the Government since the system was well established has been patent to all. Congress seems to be influenced by this consideration in favor of the retention of the present system.

It may be that one reason why plans for asset currency fail to recommend themselves is because they all apparently weaken the support Government credit now receives from the banks, and substitute nothing in its place.

THE ANNALS OF GULLIBILITY have been extended by another gigantic swindle which, in the simplicity of its methods and the trustfulness of its dupes, rivals the famous intrigue of the Queen's necklace. There is no perceptible difference between an imposing fraud like that of the HUMBERTS and the thousand and one little bunko games that are daily perpetrated, except perhaps in the character of the victims.

It would not be an unwarranted assumption, that great bankers accustomed to the various dangers of the money markets, and eminent lawyers supposed to have experience with all manner of guile, were better safeguarded against deception than the ordinary mortal untrained in incredulity.

It is, however, among the sharp and knowing ones that the victims of the HUMBERTS are to be found. Just as the COUNTESS DE LAMOTTE made dupes of CARDINAL DE ROHAN and CAGLIOSTRO, so Madame HUMBERT counted as victims a dozen or more sharp bankers, and an equal number of eminent and apparently honest lawyers. She had the genius to construct a scene, which had all the semblance of reality and which bore for years the strict tests applied by shrewd financial and legal intellects. The great SHAKESPEARE has made one of his characters assert that any one can be deceived by a plot, and the truth of this assertion is daily borne out in human experience. When, after the explosion of the swindle, the wiseacres have the opportunity of examining the machinery by which Madame HUMBERT produced the stage effect which so many, to their sorrow, mistook for reality, it is found to be as simple as the plot of a dime novel.

A young peasant girl traveling on a train relieves a fellow traveler stricken with severe illness and afterwards acts as his nurse. The patient proves to be an American millionaire who, out of gratitude, leaves a last will making his nurse the sole heir to his fortune of \$20,000,000, or 100,000,000 francs. She appears to have exhibited a will to this effect, and at first obtained sufficient credence to secure a rich husband, the M. HUMBERT, who has graced the completed swindle with his name. Whether he continued a dupe or afterwards became a more or less willing accomplice, is a matter that remains in some doubt. Of course, after showing the will, it would become necessary to produce the fortune involved, or to admit the deception. In order to avoid this dilemma, a sham contest of the will was inaugurated, in which alleged nephews of the testator brought forward a second and later testament than that produced by Madame HUMBERT. They cannot properly be said to have appeared, as although they loomed very large and real in the minds of the lawyers and bankers who furnished the briefs and the money for carrying on the litigation, now that the end has come, no one can say that he had ever

laid eyes on them. During this contest of the will, however, the securities, said to be French rentes, amounting to 100,000,000 francs, were with the formality of the French law sealed up in a locked safe belonging to Madame HUMBERT. This locking up of the supposed securities there was apparently a typical green-goods game—helped along by the absence of any requirement of an inventory under the French law. The notary who sealed up the safe appears to have accepted and deposited in the safe a bundle which he supposed to contain securities amounting to 100,000,000 francs. At any rate, after the performance of this ceremony, all doubts, if any had previously existed, as to the actual existence of the estate or the genuineness of the contest for it, were allayed.

The truth of the statement that fees are the essence of the law, was again exemplified in the confidence of the French lawyers in clients who appeared only in the shape of retainers and refreshers. The second will on which the contest was founded was not very inimical to the interests of the HUMBERTS, as a sister of Madame HUMBERT was vested with a third interest in the estate. The litigation scheme was carried on with reference to securing delay, but with so little animosity between the alleged parties that the final victory of Madame HUMBERT was never in doubt. This certainty of ultimate possession enabled Madame HUMBERT to use the securities believed to be sealed up under the solemn sanction of law as collateral and to borrow upon them by degrees some seventy or eighty millions of francs.

But in process of time even litigation must come to an end. The unwillingness of Madame HUMBERT to realize the fruit of decisions in her favor gave rise to suspicion and the opening of the safe became unavoidable. A day was set for the ceremony, and pending that day the HUMBERTS have disappeared.

THERESE DAURIGNAC tells a tale and produces a will of ROBERT HENRY CRAWFORD, making her heiress to a fortune of 100,000,000 francs. She secures a wealthy husband and henceforward appears as Madame HUMBERT. To carry on her scheme she creates a second will, and two CRAWFORD nephews as joint heirs with her own sister. She manipulates these puppets and thus carries on both ends of an interminable litigation—all of which is specially framed to secure the confidence of the public in the reality of the estate. Success crowns her design, which is merely to borrow as much money as possible on the securities her own brain has created.

This is an outline of what is supposed to be known of the HUMBERT swindle. There remain many of the niceties of execution in regard to which public curiosity is yet unsatisfied. The public, except that portion which has been duped by a swindle, is, as a general

thing, more amused than horrified by such operations. In order that public amusement may be complete, it is only necessary that the victims of the fraud shall capture the HUMBERTS and make them reveal the means in detail, material and psychological, through which the ground plan was rendered successful. How did THERESE DAURIGNAC, the simple peasant girl, secure the first faith in her story of a grateful testator, that enabled her to obtain a rich and distinguished husband? How did she reconcile a man of honorable instincts to becoming a swindler's accomplice, or did he remain a dupe to the end? How was it that no investigation was instituted at the French Treasury to discover something of the record of so large an investment by a single estate in French rentes? What became of the interest on the alleged 100,000,000 francs? If Government securities are sequestrated, is the country relieved of the necessity of paying interest? It easily occurs, that some one in authority in France must have known if an American, when alive, held so large a sum in French rentes, or if his estate held them after his death. It will be interesting to know how all these minor difficulties were met and parried for so many years. The wonderful female intriguers in the SHERLOCK HOLMES and other stories of high-art crime are always deeply versed in the latest, or at least, the most recondite discoveries in science. They understand the use of outlandish insects, of rare poisons, of the secrets of musical vibration and of X rays. No one of them with all their mystical lore ever accomplished a tithe of what Madame HUMBERT has apparently done with the aid of the old worn-out story of an aged and grateful testator. Belief is a strange thing, and no matter whether its foundations are real or not, will go equally far.

Too little is yet known of the real facts of the HUMBERT case, to assert that there was no foundation whatever to Madame HUMBERT'S claims. It is possible, for all that has yet transpired, that there were actual securities. They may have been removed from the safe where they were supposed to be sealed up. The HUMBERTS and their accomplices may have secured both the loans and the collateral. There may have been a substitution of safes. Nothing shows that such a substitution could not have been made. If the alleged swindlers are caught and forced to a confession these things may become clear; if not, mystery will ever surround the case. It is, however, doubtful, in all great crimes, whether the true details and motives are ever brought out. Enough may be ferreted out to secure conviction of the criminals, but there is almost invariably a wide fringe of circumstances which light never reaches. One moral, at least, to be drawn from this event is the temporary paralysis of human wisdom in the contest with outbursts of credulity. It reminds one of the futility of human force in the presence of an outburst of volcanic power.

THE FOWLER CURRENCY BILL has failed to receive the approval of the House and has been laid aside. The fault with the measure is that it is too great a departure from existing conditions, and it is impossible to convince the large and influential portion of the business men of the country which it will affect that the changes it proposes will be beneficial and not injurious.

It is very evident that the whole essential effect of the bill is contained in the provision allowing unlimited branch banking. It is certain that if all the rest of the bill were struck out and this provision alone retained, it will alone gradually bring about all that the other provisions are ostensibly inserted to accomplish. The power to establish branches will bring about consolidation, and consolidation will increase the strength of individual banks. The strength of each of the remaining banks will be so increased that the main objection to the use of an asset currency will be removed.

It is now urged against the issue of bank notes based on the security of general assets, if such a privilege were granted to the isolated banks of comparatively small capital forming the present banking system, that a great danger would result on account of the abuse of the privilege by weak institutions. For this reason large numbers of bankers oppose the granting of the privilege. The provisions of the FOWLER bill for branch banking will bring about consolidation. Although this is disputed it is nevertheless true, and if this strengthening of individual banks by the consolidation process were unobjectionable otherwise, it would no doubt be desirable. But the objections to this concentration of banking power have been most strongly made in the discussions at many recent bankers' conventions. These objections derive great force from the fact that they are made by practical men who are to-day engaged in the banking business and look at the subject from the standpoint of their own experience. It is shown that in no country of the world can bank accommodations be obtained by a larger number of people of small capital and credit than in this country. It is claimed that branch banking will lower the rate of interest and equalize it in all parts of the United States. This is no doubt true as to certain kinds of loans on the best of security and credit. It is to be feared, however, that were the business of banking concentrated in the hands of a limited number of great banks with their branches established in the places now occupied by the present small country banks, the number of those who could obtain accommodation directly from the banks and their branches would be very much less than those who now obtain accommodation from the present banks. The large banks and their branches could have a practical monopoly of banking. They would cease to do business except with those who could offer security coming up to a certain standard. Those

able to furnish the character of security required by the banks would become a kind of middlemen between the banks and the less fortunate members of the community. They would use their banking privilege to become the shavers of the notes of their less fortunate fellow business men, and these latter would have to pay a higher and more varying rate of interest to these middlemen than they now have to pay as direct customers of existing banks, the free competition among which forces these banks to accept these men of less credit as customers.

In other words, under branch banking followed by reduction and consolidation of bank capital, interest might be equalized in all parts of the country on discounts, and the rate might be reduced, but the customers dealing with the banks to whom the reduced rates of interest would be available would be less than they are now. Those who could obtain bank discounts would be a privileged class through whom alone all other classes of borrowers could obtain credits. These middlemen would charge as a rule a higher rate to the people who would be compelled to deal with them than these same people now pay to banks under a system where there is free competition for banking business. The interest rates paid by all the business men and others needing credits would be higher under branch banking although the rates paid by the superior kind of bank customers, whom lack of competition would enable the banks to select, might be lower and more uniform.

That this would be the result of the restraint of bank competition, sure to be effected more or less by branch banking, can be easily seen by the experience of a period when the number of banks was restricted by requiring them to procure special charters; in other words, before the era of free banking. The individual of small capital and credit, in those days, never thought of bothering a bank with his small deposits or discounts. He went to some merchant or capitalist who received these small deposits and used them to swell his own account and credit with the chartered bank. Note shavers abounded and charged whatever interest the necessities of their applicant would permit. These middlemen used the small depositor as a means to swell their own accounts and credit with the bank and borrowed money at moderate rates by endorsing the notes they had discounted at high rates. This very thing is done to-day under the chartered system of branch banks in Canada.

It has been urged as an argument against the assertion that branch banks will cause a monopoly in banking, that private banks, as they are called, flourish in Canada in the shade of the great chartered banks and their branches. If these were genuine private banks in the sense in which that term is used on this side of the line, then it

would show that the chartered banks and their branches do not cover the whole field, that there is a line of banking that has to be catered to by these private banks. But these private banks are not really private banks as understood here. They are really the middlemen who spring up between the less desirable business men and borrowers and the great banks. These latter do not bother themselves with small accounts and small discounts. They want only the cream of the business and these middlemen are the pans and crocks in which the cream rises sufficiently to be skimmed. It is for this service that these middlemen set their own price. They peddle out their endorsements to the less fortunate public. There is no competition among the banks and no competition to speak of among the middlemen. The public generally has to pay whatever is charged. Under the free banking prevailing in this country those who go into the loaning business are in free competition. This competition affects the convenience with which a loan may be obtained and also the rate of interest. Under it the devices of delay and hesitation used by money lenders to obtain larger interest are at a minimum. There is a greater choice of lenders to any borrower.

Where banking is a monopoly the banks encourage and foster the middlemen because they thereby obtain greater security, and their business is easier and freer from anxiety. Under this monopoly bankers take no pains to build up a class of prompt, punctual borrowers. They rely entirely upon a limited class of middlemen to bring them business. Under free banking banks are organized which reach all borrowers, and the interest rates are less for all borrowers than they would be for all borrowers under the monopolistic system fostered by branch banking.

It may be said in reply to this view of the effects of branch banking that the Bank of France, a monopolistic bank with branches, makes its loans in smaller denominations than any other known banking institution. But this is because it is compelled to do so by law. A similar law requiring Canadian banks to make small loans in the same way would be bitterly opposed by the bank lobby at Ottawa and probably could not be enacted. So would such a law be bitterly opposed by those who now advocate branch banks in the United States. Under a free banking system such as prevails here such a law is unnecessary. Notwithstanding the liberality of the Bank of France in accommodating the small borrower, the pages of BALZAC and other French novelists, allowing for natural exaggeration, indicate that under its shadow there is room for money lenders and note shavers of the most distressing types. In the United States, under the system of free banking which has grown up alongside of other free institutions, there is probably less of the oppressive and unjust

side of money lending and usury than in any other country. What remains is due to the ignorance of foreign population recently adopted, and to the crowded poverty of many cities.

In the discussion of this question of branch banking it is strange to see it advocated by economic writers who in all other branches of business advocate the abolition of restrictions on trade and oppose the abuses which have attracted attention under trusts and combinations. It is surprising that they should view with favor the inception of branch banking, which will certainly destroy the system of free banking that has taken root and flourishes in the United States after so many unsatisfactory experiments with other systems.

THE COAL MINERS' STRIKE at a time of general prosperity throughout the country comes like a false note in a symphony. But the difficulty with the modern economic and social system seems to be that such false notes are growing more and more frequent. The organization of labor is becoming more and more complete and strikes, with or without due and sufficient cause, seem to be a method of drill to prove that the organization is in good order and ready for the purposes for which it is intended, just as the officers of the national guard, at fixed seasons of the year, call upon their companies and regiments to go into camp and go through the necessary maneuvers to maintain efficiency, so the strike leaders seem to call out their labor organizations to show that they are well up in their manual and obedient to orders.

If a body of men, by refusing to work themselves or to permit any one else to work, can entirely stop the production of a commodity without which the ordinary avocations of life must in a degree cease, and if this principle be recognized as right, there is an end to present conditions of society. The only way out of these difficulties is the enforcement of law. If one man, or a thousand men, desire to quit work, it is their right to do so; but when they use force, either moral or physical, to compel others who want to work to stop working, they are violating the law of equal rights.

It is highly probable that not all of those belonging to an organization desire to go through the difficulties and deprivations of a strike where the grievance is merely a technical one, and where there is no real dissatisfaction either with hours or wages. But once a man enters any organization he is bound to do whatever that organization requires. In labor organizations he often seems to be controlled by the most hot-headed and ill-advised. The leaders of labor organizations often seem to wink at the petty oppression which, exercised by the majority or often by an energetic minority, keeps the whole or-

ganization in line. Up to this time the mine owners appear to have submitted to the tyranny of the labor organization. They have made as yet very little effort to procure other men to work their mines. They cannot obtain them unless there is protection from the violence, direct or indirect, of the strikers. That it is the fear of violence that prevents the resumption of work no one can doubt. In all strikes there is a wide difference of opinion as to what constitutes violence and what does not. But the logical outcome of the present position of things is violence if an attempt is made to work the mines. It remains to be seen what will be done.

WHAT BECOMES OF OUR TRADE BALANCES is still an interesting subject of discussion. In an article on "The Mystery of the Balances," published elsewhere in this issue of the MAGAZINE, Mr. W. H. ALLEN, of Brooklyn, contends that the United States is still very far from being a creditor nation, and that the enormous balance of merchandise exports reported annually for some years is required to liquidate debts abroad.

The fortunate position the country has attained since 1896 has been exaggerated no doubt by enthusiasts, but it seems to us that Mr. ALLEN is too much inclined to go to the opposite extreme, and to take too gloomy a view.

He lays great stress on what he calls the disappearance of our gold currency, and says that there is a smaller amount of gold in circulation now than at any time within the last five years. We do not believe this view to be supported by a careful examination of the facts. On October 6, 1896, the Comptroller of the Currency reported that the National banks held gold coin and certificates to the amount of $160,723,890, and on April 30 last they held $321,866,067. From this it will be seen that the stock of gold held by the National banks more than doubled from October, 1896, to April, 30, 1902. On July 1, 1896, the Director of the Mint reported that the total stock of gold coin and bullion in the United States was $599,597,964. On May 1 last, the gold coin and bullion in the United States was $1,183,-657,727. The ownership of the gold coin and bullion, as stated by the Director of the Mint, in the years 1896 and 1900 was as follows:

	1896.	*1900.*
United States Treasury	$102,494,781	$222,899,773
National banks	161,853,560	295,121,378
Private banks and individuals	335,249,623	516,418,113
Total	$599,597,964	$1,034,439,264

Whether the Mint estimate of gold in the hands of State and private banks and individuals be accurate or not, its errors were the

same approximately in 1896, as they are now, and relatively would have no effect on the comparison. The amounts of gold held by the National banks and by the Treasury can be accurately determined, and the figures show that these amounts have increased enormously since 1896. Gold in the banks is certainly "in circulation" far more effectively than when it is in a man's pocket or otherwise hoarded, while a large part of the gold in the Treasury is represented by certificates in circulation.

It may be that Mr. ALLEN meant to say that there was not, proportionately, so much gold coin passing from hand to hand now as there was a few years since. This is probably true, for it will be recalled that when the gold reserve fell below $100,000,000 the issue of gold certificates was suspended and none were issued for several years. This made it necessary to use the coin where gold payments were made at all. But in the ordinary hand to hand circulation, there has been a great increase in the amount of gold currency (in the form of certificates) since 1896.

In the six years since 1896 the net imports of gold amounted to $203,411,785, and this sum has been added to, as indicated in the foregoing table, by the product of our mines.

In view of the known facts, it is certainly not accurate, looking back to 1896, to speak of "the disappearance of our gold currency." During part of this time interest rates have been lower here than abroad, and occasional exports of gold may be thus accounted for. The large increase in the National bank circulation, too, has had its effect. This view was elaborated in a notable paper read some months ago before the London Institute of Bankers, and it was pointed out that the British Government had observed the additions to our paper currency and counted on this as making it easy to procure gold from New York by placing part of a British loan in this market. This event was no doubt exploited by the Wall Street operators for all it was worth, but we can hardly believe that the placing of the loan here was simply a stock-jobbing operation.

There are other conclusions in Mr. ALLEN'S paper to which we can not assent, but his contribution to the subject should arouse a thorough discussion of a very interesting problem.

In the six years 1896 to 1901 our net exports of merchandise amounted to $3,012,359,072, and the net imports of gold in this time amounted to only $203,411,785. The difference is $2,808,947,287, or over $468,000,000 a year. What becomes of it? Mr. ALLEN says we have not been paying our debts but have increased them. If this be true, it is about time for retrenchment, and the host of Americans who are now abroad flinging their gold about so lavishly should be called home by cable at once.

If we have got to pay nearly $500,000,000 annually to foreign countries, without decreasing the principal of our obligations, it may gall our pride, but it does not point to bankruptcy by any means. That we are paying interest on a considerable amount of borrowed capital is true, but there are indications that, upon the whole, we are deriving a substantial profit from the operation.

THE FOREIGN GOVERNMENT SECURITIES listed on the New York Stock Exchange have been few in number. But it is said that steps have been taken to put British consols on the list, and this will probably be followed by the listing of such securities of foreign governments as are now beginning to be dealt in in the market.

If New York is to become a world center of finance this listing of securities from all parts of the world will make them more desirable to deal in. It is said that nothing but a daily publication of a definite bid and the price in dollars will put them on a par with home securities to be dealt in by small investors. These quotations are necessary to render the securities available as collateral with the banks. Consols are of course of undoubted security and just now would seem to be a good investment, as they have been depressed in price by the South African war. With the close of the war and the expected revival of business in Great Britain it would seem that they must rise.

If foreign securities were dealt in as freely on American exchanges as American securities are on those of Europe, many of the settlements that are now effected by gold transfers might be arranged by the transfer of securities. There are cases where foreign countries do not care to receive American bonds in payment of balances, as they are not sought there as an investment, but the securities of those countries would not be refused if they were held here.

As all the exchanges of the world become more cosmopolitan international settlements can be effected more readily. As it is now the spirit of nationality still prevails to a very great extent in the financial world. The Frenchman still prefers French securities; the German those of his own country. In England there is less of this spirit and investors there care little for the nationality of a security provided the dividends are satisfactory. This spirit of cosmopolitanism in finance is growing in all civilized nations, and investments in foreign enterprises and national debts is being more and more recognized as a safeguard against disasters which may cause home investments to temporarily depreciate. The reduction of the national debt of the United States will probably in the near future make a market here for considerable amounts of foreign securities of a similar class, such as English consols and French rentes.

THE DISCIPLINING of one of the members of the New York Clearing-House Association for violating the rule in regard to the collection of out-of-town checks and the devices for evading the payment for collection, resorted to by financial institutions located in the vicinity of New York, indicate the unwillingness with which the business public submit to this tax on a method of remittance and payment which affords so many conveniences.

However just it may appear that banks shall have some return for the trouble attendant upon the record and collection of checks, it is questionable whether by making such charges they do not lose in the long run more than is gained. Any practice which tends to diminish the use of checks by the general public must necessarily tend to reduce the line of bank deposits. Of course, as far as the associated banks of New York are concerned there is no charge on checks drawn by their depositors, but by making a charge on the collection of out-of-town checks the use of these checks must in some degree be diminished, and this must render the out-of-town banks less desirable as depositaries, and lower their lines of deposits.

The larger the use of country banks the greater the sums they have to deposit with their city correspondents. The knowledge that he can remit money by his personal check on his local bank to any part of the country and have it taken at par in payment, is doubtless an inducement to many persons to keep bank accounts who might not otherwise do so. While the collection of these checks may seem to bear unequally, as far as time and labor are concerned, upon the banks at the money centers, yet these are the banks that by the increase of their own deposit lines through the accounts of their country correspondents gain the greatest advantage as the public becomes educated to a greater use of banks.

Another way of looking at this matter is this. The charges made by the New York banks for collection of out-of-town checks do not as a rule fall on the drawers of these checks. The man who draws the check sends it in payment of some sort, and expects it to be taken at par by the payee. This is probably done in the majority of cases, for in these days of competition a merchant cannot afford to lose a good customer by requiring payment in New York exchange. The custom of payment by individual check has become too universal for it to be successfully opposed by merchants and business men who desire to retain and increase business. The cost of collection of country checks, for instance, sent to New York city merchants falls on those merchants and not on the drawers of the checks or even on the banks on which they are drawn. The merchants of New York city, who have to pay for the collection of checks they are obliged to take at par, are handicapped in competition with rivals in other central

cities where the banks do not make this charge or who collect on more liberal terms. New York city may be so favorably situated that this small loss can be disregarded, but sooner or later this discrimination against its merchants and business men will be felt. That New York greatly leads all other rivals is indicated by the fact that it is the only city where the banks have succeeded in enforcing check collection charges. The necessity of disciplining one of the associated banks occasionally seems to point out that the pressure of the rule is in many cases hard to bear, and that sometimes it is better policy to break the rule and pay the fine than it is to observe the rule and lose valuable accounts. There are also indications that institutions not bound by the rule are gaining business at the expense of the banks because they are willing to accept out-of-town checks at par. It may seem to be of little importance to the banks that enforce the rule who pays the charge, so long as it is paid. However, it would not appear to be policy to risk the chance of building up rivals, as no one can tell to what limits this building up process may reach.

THE EXPECTED EXPORTATION OF GOLD this summer need not excite apprehension that the stock of gold will be alarmingly depleted. The stock of gold in the whole country on June 1 was over eleven hundred millions of dollars; of this $631,891,627 was in the banks and in circulation among the people, and $552,697,262 in the Treasury; of this last sum $306,142,169 was represented by gold certificates outstanding. Out of this immense stock the ordinary summer exportation is not likely to be missed. Moreover, it has often happened during the last ten years that when gold was going out from New York it was coming in at San Francisco, so that for the whole country the exportations were usually largely offset, and in some years exceeded by the importations during these summer months.

If there are noticeable exportations during the next three months it will be curious to notice whether the gold is taken on the outstanding gold certificates or whether it is taken by the presentation of legal-tender notes. The exporter, of course, does not care where he obtains his gold. It is, however, often more convenient to have it in bars than in coin. In fact, it is simply a matter of convenience whether he takes it from the banks or the Treasury. If the gold is taken on certificates the outstanding gold certificates should be reduced. If it is taken on legal-tender notes the gold in the Treasury in excess of that held for outstanding certificates will be diminished, and the legal tenders on hand in the Treasury may be increased.

Possibly the time will come when the gold certificates themselves will serve as well as the gold in the settlement of foreign balances.

It would certainly be a great saving in freight and insurance charges if international balances could be settled by transfers of certificates as the banks now settle their balances. But those who now derive profit from the present methods of settlement will probably oppose this change as long as they can.

OUT-OF-TOWN CHECKS stamped "payable at ——— Bank New York, if desired" are not New York exchange, according to a recent circular issued by the clearing-house, and must not be paid through the exchanges.

It is no doubt a great convenience to depositors in country banks to have their checks made acceptable at par in New York, and it is an advantage to the banks as well. But it would appear that such a practice is illegal, so far as the National banks are concerned.

In the case of Armstrong vs. Second National Bank of Springfield (38 Fed. Rep. 883), it was held that "under Rev. Stat. U. S., section 5190), providing that 'the usual business of each National banking association shall be transacted at an office or banking house located in the place specified in the organization certificate,' a National bank can not make a valid contract for the cashing of checks upon it, at a different place from that of its residence, through the agency of another bank."

This decision would seem to make it clear that a country bank has no power to provide for the encashment of its checks in New York or elsewhere than at its own counters. Of course, by mutual agreement, banks could make such arrangements, but a reading of the opinion cited leads to the conclusion that the courts will not enforce such agreements.

A BUSINESS REVIVAL IN ENGLAND may be looked for as one result of the termination of the South African War. It is said that there has been practically no speculation in England since the war broke out, and that in consequence of the war trade has been conducted in the most conservative manner, but that wealth has increased notwithstanding the war. In France, too, capitalists have been playing a waiting game until the accumulation of unemployed money there is very great. Although in Germany the people have not yet recovered from the effects of the financial depression, it is believed that with the close of the war there will be an opportunity for German capitalists to invest in London.

The output of gold from the South African mines is again coming to market and the gold which was sent to that country to pay the expenses of the war is returning to the money centres.

One reason, perhaps, of the tendency to great enterprises in the United States, and of the successful wielding of capital here in the consolidation of great industrial interests, has been the cessation of speculation in Europe. There is every reason to believe that much foreign capital has been used in the great operations of J. P. MORGAN and others. With the revival of business in Europe some of this capital may be withdrawn.

It is thought by some that the rehabilitation of the country devastated by the war will be supplemented by the launching of many new enterprises, and that all this will require so much capital that all available will be employed, making money rates far from easy. Of course the rate of interest will control and if the returns from investments in the United States are greater than elsewhere, they will not be abandonded for newer enterprises.

The coronation of King Edward will no doubt mark an era in the monetary world. At this writing the date of this event is unhappily involved in uncertainty, by the serious illness of the King.

FREE SILVER COINAGE FOR THE PHILIPPINE ISLANDS has been defeated by the failure of the House and Senate conferees to agree on financial legislation for the islands, and for the present things will be left as they are, and from various sources of information they appear to be pretty badly mixed. Our policy of enlightening the Filippinos, on financial matters at least, appears to have had an inauspicious beginning, and the inhabitants of the islands must be mystified by the radical difference on the subject prevailing in the two houses of Congress.

The present money system of the Philippines is of great advantage to the money dealers who profit by the fluctuations in the rate of exchange, but its benefits to others are not so apparent. What the Senate proposed was merely the substitution of a mongrel United States coin for the Mexican dollar. Until the time is ripe for the introduction of American currency, the coinage should be kept on a gold basis, and this was what the House bill provided for.

There is no use in attempting to disguise the fact that there is a considerable sentiment in favor of silver still existing among the majority in Congress, and this sentiment renders it practically impossible to secure any legislation looking to the establishment of a bank-note currency.

It is to be hoped that the House will stand firm in its opposition to giving legal sanction to a debased coinage system for the Philippines; but in order that this expectation may be realized, the sound-money forces must be energetic and watchful.

THE INERTIA OF CONGRESS RESPECTING FINANCIAL LEGISLATION.

The attitude of Congress towards the Fowler bill indicates very clearly what would have been the treatment of almost any measure that could be devised which would change in any marked degree the present system of banking.

The banking question has not yet reached the stage of discussion. As has been before remarked, the measure approved by the majority of the Committee on Banking and Currency was as good as any for starting the consideration of the banking question. But any other measure would have served as well. The main thing is to bring Congress to a state of mind when the representatives will be willing to devote the time and attention necessary for bringing out and sifting down all the different phases of banking reform.

It is only when the matter comes to actual debate that Congress will discover what is the controlling sentiment of that portion of the people who are interested in banking either as bank capitalists or as depositors or as customers, whose success in business depends on the banks.

There have been many plans proposed, but they rest on three or four main principles. These principles may be combined in so many ways that the variety of different detailed plans that can be evolved from these combinations is very great. There is the principle of circulation secured by bonds deposited with the Government. This may be modified, by permitting the banks to hold these bonds in their own vaults. It may also be applied in many ways by changing the amount of security required and the character of the bonds used for security. There is also the principle of what is known as asset currency, based on the general assets of the bank. This may be modified by the creation of a safety fund, or it may be used in combination with the principle of bonded security. It may be strengthened also by combination with a system of branch banks, reducing the number and adding power to each of the banks issuing circulation.

There are also other important interests which will be affected by change in the methods of issuing circulation. The banks themselves may well find the value of the securities they now hold for circulation and Government deposits depreciate in market value if United States bonds are not required for this purpose. This possible depreciation is also of importance to the Government itself as affecting the ease with which loans may hereafter be placed. The introduction of branch banking is likely to alter the status and change the methods of business of all existing banks.

The truth is, the present system being a growth, if an attempt is made to repair or alter it with a view to improvement, every part of the system feels the shock of the change. Nor without full discussion, such as would be drawn out in the House of Representatives and the Senate, can it be told what interests will be affected by change. The proposers of plans for reform, however well considered these plans may be, can never foretell completely where

these plans may be met by opposition. The legislation placing the country on a gold basis was an easy matter compared with legislation making changes in banking principles and methods. The gold standard legislation merely endorsed and legalized what in practice already existed. The fight in that case was to maintain the *status quo*. The purpose of the plans proposed for banking reform is to change what already exists in practice. If banking legislation is to follow the same lines as were pursued in the gold standard legislation, Congress should seek to aid and confirm the methods that are evolved from time to time by the banks themselves, in their practical operations. Thus, for instance, the banks have within the last forty years evolved a series of clearings. No legislation is required either to legalize or to remove obstacles from the progress of this system. It has grown up and developed under the existing law. But if there were points in which its legality were doubtful, or if there were legal restrictions preventing development, then the passage of confirmatory laws or the repeal of restrictive laws would afford a parallel to the gold standard legislation.

The plans for banking reform no doubt involve some of this kind of legislation. They propose to remove restrictions in some directions, but they also often propose legislation entirely new, which confirms nothing in existence, and which would bring the business of banking in the United States upon ground that is practically untried, or if tried either in this or other countries it has been under conditions entirely different from those now existing. Neither the plans of experts nor the investigations of economists, or committees or commissions, can take the place of results obtained by open debate in Congress. A proposed measure is then for the first time publicly announced as approaching realization. Those who will be affected by it, favorably or unfavorably, begin to bestir themselves for or against. No practical person is inclined to waste time or energy in attacking or defending a proposition which is simply in the stage of academic discussion. The genuine hopes and apprehensions of those who feel that their business will be affected now come to light from all quarters. It is often said that this or that legislation is enacted in committee. This, no doubt, is the case where law simply confirms what is already well understood; but novelties adopted in committee have to undergo the serious scrutiny of debate. In conclusion there is reason to think that there will be no very radical changes in the present banking laws until the banks have marked out by their actual practice a demand for the change. As regards circulation this will occur when the banks find it profitable to issue notes under present law and cease to avail themselves of it. Some National banks already have taken this course, but there are still enough issuing circulation based on bonds to make it seem that the system is still in favor. When the time arrives that notes based on bonds can only be issued at a loss, then these issues will cease, and some new method will receive the general support that may carry it through Congress. The state of the bond market, and the prospect of additions to the debt on account of the interoceanic canal, seem to indicate that any material change is yet at some distance.

THE OPPOSITION TO TRUSTS AND COMBINATIONS.

Whenever controversies arise about modern business methods, whether these methods are defined as trusts, as combinations, or whether they are great companies organized to aid combinations in taking care of their securities, such controversies are usually started by competitors who are seeking similar objects by the same or different methods. What would the general public have heard of the Northern Securities Company, for instance, if there had not been rivals and competitors who thought their business interests were in some way in danger?

It is a good argument against any enterprise to make it appear that if carried out it will some way or other injure the people of the United States. If, by starting this kind of outcry, you can make either the State or Federal Government pay the legal expenses of a suit to bother and annoy and perhaps destroy business competitors, it is just so much clear gain.

That most of the outcry about trusts and combinations and companies of various kinds to advance business projects is the work of those who are after the same kind of control and supremacy, cannot be doubted. The general public cares very little about these enterprises, and would know less were it not for the interested publication of all kinds of assertions and charges as to their objects and probable results. It is easy enough to start attacks of this kind; the newspapers are on the lookout for sensations, and politicians on the watch for issues. Then the economists, always willing to have something new to investigate, take the matter up and elaborate reasons for and against. When sufficient public interest is excited to make politicians fear that unless they also take notice votes will be lost, it is not difficult to induce the authorities to enter into a legal investigation.

It may well be surmised that the efforts made to consolidate industries would not usually have been attempted if the separate corporations or firms had not gone about as far as they could, under competitive conditions. It is often and most plausibly asserted that the combination of a number of separate firms and corporations throws large numbers out of employment and thus is opposed to public policy. But if these separate firms and corporations had reached a point where they could no longer continue business, it was evident that the employment of the persons involved must have ceased. The combination cannot be blamed for evils that would have occurred to a greater degree had not the combination been made.

The general character of the charges against modern business methods is that they injure the individual in his opportunities to acquire wealth; that is, through them, it becomes more difficult for the individual to mark out his own course. He must work within the lines prescribed or not at all. While for the majority the trust and combination prescribe the direction they must take, to a few, on the other hand, almost boundless opportunities of enriching themselves are offered. It is probable that the new business order may reduce the number of great prizes, but that it will increase the opportunity

for a larger number to arrive at a competence. In fact, the great wealth that has come to some few is most likely an exceptional phenomenon attendant on the passing from the old competitive method to the new where the interests of all are supposed to be advanced by the absence of competition. But when the new order is once established these opportunities will not recur. When the change has been thoroughly effected, those who are dependent on the industry will be on the average better off under the new system than under the old, and there is no reason to think that the numbers employed will be fewer. On the whole it is probable that, in the long run, the combination will be as beneficial for those who furnish the labor as for those who furnish the capital.

It has been the history of the social relations of human beings that as population becomes more dense, the individual has to combine with his fellows for mutual protection. The ordinary laws do not, in communities reckoned civilized, furnish protection and fair play to the poorer members. Societies are formed to supplement the defects of the law and to secure its privileges. The help of his society enables the poor man to obtain the equality of privilege before the law that the rich man enforces for himself. The unequal distribution of wealth prevents exact justice being done in regard to property as well as in regard to personal rights, and corporations and associations secure to persons of moderate means an equitable recognition of their rights which they could not secure as individuals. But as wealth increases the means of conserving and protecting wealth also increase. The ownership of anything short of a controlling interest of some securities would be dangerous if it were not that there are agencies which are powerful enough to enforce and protect minority rights. The trust company is a wonderful agency by which the accumulated wealth belonging to persons without the skill necessary to protect and conserve it can be safely managed. The companies formed for the preservation and management of the shares of affiliated railroads have for their object the protection of the property rights of the holder of one share, as much as those of the holders of the controlling interests. The shares of large corporations are viewed with more or less suspicion by the small investor, because of the fear he has that he may be frozen out. But great financiers recognize that the policy of wreck and ruin for the benefit of a few is bad for railroad property, as well as dishonest. If great holdings are to increase in value small holdings must be protected. The securities companies are intended to extend this protection and careful management to the securities of the companies involved for the benefit of all holders, large and small alike. Men of great wealth do not desire to have their investments all in one line, and in order to distribute their holdings they must insure the future stability of them. Such companies will necessarily be more and more resorted to as the protection they give becomes recognized.

OPPOSITION TO BRANCH BANKS.—At the convention of Southern bankers recently held at Savannah, the opposition to branch banks prevented the adoption of resolutions approving the Fowler Currency Bill. There seemed to be a more favorable disposition in regard to the proposals for asset currency and the retirement of the greenbacks. A measure providing for the conversion of the legal tenders into gold certificates could probably be got through Congress if the sound money forces would unite in favor of such a measure.

NATIONAL BANKS AND OTHER BANKS.

There are in the country 5,204 State banks and 4,168 private banks. This is shown by the last Report of the Comptroller of the Currency. These banks are exclusive of trust companies and Savings banks. There are thus 9,372 banks other than National banks in the country. The number of National banks at a corresponding period was 4,279, or less than one-third of the total number of banks reported by the Comptroller of the Currency. In addition to these banks, National, State and private, there were 1,007 Savings banks and 334 trust and loan companies reported by the Comptroller. These do to some extent the same business as National, State and private banks. According to this it takes nearly 15,000 financial institutions to do the banking business of the United States, of which less than a third are National banks.

This showing of itself seems to prove a radical defect of some kind in the National banking system, failing as it does to cover the whole field of banking, and this failure rendering it necessary to employ the services of 10,710 other financial institutions to help out.

There was a short period when the National banks did very nearly occupy the whole field. This was after the law placing a tax of ten per cent. on State bank circulation went into operation. Prior to that date capitalists had an idea that a bank could not exist without the right to issue circulating notes. But they soon learned that there were opportunities for banks of discount and deposit, and the present State banks began to appear and have increased in numbers up to this time.

One important reason why State banks have thriven to the extent shown is because of the provision of the National Banking Law absolutely prohibiting National banks from loaning on real estate security.

In the early history of banking, when the country was sparsely settled and when the values of real estate were uncertain, many banks had come to grief because they had loaned on real estate security. This was recognized by the men who drafted the National Banking Law. Another reason, perhaps, was that the design was to secure the largest possible investment of bank capital in United States securities, and real estate security might in many cases have proved a serious rival. The National system also was intended for the whole country, and although in some States and localities real estate was a good security, there were many sections where real estate had no settled and permanent value. A State bank was, if anything, a bank organized to meet local wants, and one of these wants was the necessity for bank facilities by men whose only collateral was real estate. Such a one, asking a National bank for a loan, while his real estate might be recognized as good ultimate security, would be required to obtain a good endorser. The State bank would, however, make a loan on his single name backed by a bond and mortgage on his real estate. To deal with a State bank was the more simple and independent way of obtaining the loan.

Whatever the reason may be, the general belief of a very large class of borrowers is that the accommodations afforded by the State banks are more easily obtained than those of National banks. The average depositor places

his surplus with the bank which will give him the greatest accommodation. It is because of their kind treatment of customers that State banks are formidable rivals of National banks in obtaining deposits. By loaning on real estate they do a class of business where it is perhaps more difficult to realize quickly on their loans, but it is more profitable on this very account, and if this class of business could not secure bank facilities the prosperity of the country would be very much diminished.

From this inability to realize quickly on a portion of their assets it might be expected that the percentage of failure among State banks would be greater than among National banks. The difference is, however, very slight and this speaks volumes in favor of the general skill, sagacity and honesty with which these banks conduct their business. Another reason for the prevalence of State banks, even where capital is abundant, as rivals of National banks, is that the managers and officers do not expose themselves to relentless prosecution in case of accident or failure. It may be prefaced that very few if any men go into the banking business with deliberate intent to defraud the public. The great majority of failures are due not to dishonesty but to misjudgment and accident. It is well known that prosecutions conducted by the Federal Government are more thorough and relentless than those conducted by the State courts. A man starting a bank may have no idea of doing anything to render himself liable to the penalties of the law, but believing that unforeseen contingencies may, without any intention on his part, make him liable to prosecution, he doubtless prefers to be situated out of the range of the severity of the Federal law.

It has often been claimed that the growth of State banks is to be explained as a mere matter of amount of capital. Although some State banks are no doubt started in places where the minimum capital of a National bank could not be raised, yet as a rule we find State banks with equal or greater capital side by side with National banks. The possession of capital does not by any means induce the starting of a National bank in preference to a State bank. The real reason of the growth of these institutions is greater power in making loans, greater freedom from restrictions which seem to interfere with the personal independence of the bankér, and less fear of prosecution if things go wrong.

It is to be doubted, even if National banks shall be given a free circulation privilege, if State banks as a rule would surrender the freedom they now possess and become National banks. Although the State banks are not directly under the provisions of the National laws, yet it must not be imagined they do not feel their influence. The necessity of competing at every turn with National banks causes State banks to maintain a higher standard of management than they would probably do were there no National banks. The Federal laws set up an ideal standard of banking which is the guide not only for the bankers who work under its provisions but also for those who are in competition with them. The desire for uniformity is a mark of the doctrinaire. A simple compact system requires less study and explanation. These simple and compact systems are attained by sacrificing important functions and restricting individual freedom of development. The complex system of National, State and private banks, or no system as Mr. Stickney complained, is probably a better aid to the prosperous development of the country than would be either a system of National banks alone or of State banks alone.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Court of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

CASHIER—AUTHORITY—RATIFICATION OF ACTS—NEGLIGENCE OF BANK OFFICERS.

Court of Errors and Appeals of New Jersey, March 3, 1902.

CAMPBELL vs. MANUFACTURERS' NATIONAL BANK.

There is no reason that can be given, which is founded upon principle, for not applying the same rule of agency to a Cashier as to other persons occupying fiduciary relations.

A person cannot deal with a Cashier of a bank as an individual, in securing a draft, and claim, after the draft is delivered, it has become the transaction of the bank.

While a Cashier of a bank is presumed to have all the authority he exercises in dealing with executive functions legally within the powers of the bank, or which are usually done, or held out to be done, by such an officer, still the test is whether the transaction is with the bank and in its business, or with the Cashier personally and in his business. As to the former, all presumptions are in favor of its regularity and binding force. As to the latter, no such presumptions arise.

Upon the proof that the transaction was known to the claimant to be an individual one, and not with the bank, the burthen is cast upon the claimant to establish that the act of the Cashier thus done for his own individual benefit was authorized or ratified.

Neither authorization nor ratification arises from unknown concealed fraudulent transactions of a Cashier. It is only known open ones, similar to the alleged dishonest ones, which work an estoppel.

Failure to detect that which an inspection with ordinary care would not have discovered will not work a ratification. Where a draft on a corresponding bank is regular on its face, and the entry upon the stub of the draft book from which it is taken is also regular, there is nothing to go to a jury to establish laches in the officer of a bank for neglect to discover its fraudulent character from inspection.

(Syllabus by the Court.)

FORT, *J.*: This is an action by the Receiver of the Middlesex County Bank to recover back money paid to the plaintiff in error by George M. Valentine, who was, at the time of the payment, Cashier of said bank. The payment was made by Valentine in satisfaction of his individual debt. The method of payment was by a draft of the Middlesex County Bank drawn on the National Park Bank of New York, its correspondent, and signed, "George M. Valentine, Cashier." The draft thus issued was drawn to the order of John A. Miller, attorney, and delivered to him, for the plaintiff in error. The transaction out of which the indebtedness of Valentine to the plaintiff in error, the Manufacturers' National Bank, arose, was the discounting of a note, made by a firm of which Valentine was a member, and indorsed by Valentine individually and others. This note thus discounted fell due and was protested, and afterward judgment was obtained thereon against the makers

thereof and Valentine individually. The Middlesex County Bank had no interest, directly or indirectly, in the note or its proceeds.

All these facts were known to the plaintiff in error both before and after the judgment. The judgment was entered March 4, 1899. Mr. Miller, the attorney of the plaintiff in error, after several attempts, found Valentine at the bank in Perth Amboy on March 13, 1899. Payment of the judgment was demanded, and, after some talk, Valentine, in the presence of Miller, took the draft book of the Middlesex County Bank, containing blank drafts of that bank on the National Park Bank of New York, and filled out a draft of the Middlesex County Bank upon the National Park Bank of New York for the sum of $7,500, to the order of J. A. Miller, attorney as aforesaid, and signed it, "Geo. M. Valentine, Cashier," and handed this draft to Miller. The draft thus delivered to Miller was not, and did not pretend to be, anything other than the draft of the Middlesex County Bank, made by its Cashier, in his official capacity, against the funds of the Middlesex County Bank deposited in the National Park Bank of New York, and was intended by Valentine, and known by Miller, to be issued for the payment of the debt of George M. Valentine as an individual. With all of these facts the plaintiff in error, by its officers and its attorney, was familiar.

There is no reason which is founded on principle that can be given for not applying the same rule of agency to a Cashier as to other persons occupying fiduciary relations. No person can act as an agent in a transaction in which he has an interest, or to which he is a party, on the side opposite to his principal. This must be so where the person dealing with the agent has knowledge of the facts.

A person cannot deal with a Cashier of a bank as an individual, in securing a draft, and claim, after the draft is delivered, it has become the transaction of the bank. To make the acts of the Cashier valid, the transaction in which the draft is delivered must be a bank transaction, made by the Cashier, within his express or implied authority, in the conduct of the business of the bank. So long as a person deals with the Cashier in a matter wherein, as between himself and the Cashier, he is dealing with, or has a right to believe he is dealing with, the bank, the transaction is obligatory upon the bank. The Cashier is presumed to have all the authority he exercises in dealing with executive functions legally within the powers of the bank itself, or which are usually or customarily done, or held out to be done, by such an officer. But the test of the transaction is whether it is with the bank and its business, or with the Cashier personally and in his business. (Claflin vs. Bank, 25 N. Y. 293; Moores vs. Bank, 111 U. S. 164, 4 Sup. Ct. 345, 28 L. Ed. 385.)

As to the former, all presumptions are in favor of its regularity and binding force. In the latter, no such presumption arises. In fact, upon proof that it was known to the claimant to be an individual transaction, and not one for the bank, the burthen is cast upon the claimant to establish by proof that the act of the Cashier thus done for his own individual benefit was authorized or ratified. These are fundamental principles applicable to principal and agent in every transaction arising out of that relation. (Bank of New York National Banking Ass'n vs. American Dock and Trust Co. 143 N. Y. 559, 564, 38 N. E. 713; Manhattan Life Ins. Co. vs. Forty-second and G. St. Ferry Co. 139 N. Y. 146, 151, 34 N. E. 776; Shaw vs. Spencer, 100 Mass.

382, 390, 394, 97 Am. Dec. 107, 1 Am. Rep. 115; Petrie vs. Clark, 11 Serg. & R. 377, 14 Am. Dec. 636 [Gibson, *C. J.*]; Road Co. vs. Paviour, 164 N. Y. 281, 286, 58 N. E. 114, 52 L. R. A. 790; Huff. Ag. [2d Ed.] p. 110.)

Little contention was made in this case, even by the counsel of the plaintiff in error, against the rule above stated, although some effort was made to distinguish between the rule applicable to principal and agent as applied to a Cashier, as contradistinguished from other agency relations; but we are unable to accept such a theory, or to hold the rule to be any broader in the case of a Cashier than as above declared.

Strong contention was made by the plaintiff in error for the right to retain the fund received for Valentine's individual debt from the proceeds of the draft of the Middlesex County Bank, upon the grounds (1) that Valentine was authorized to issue such drafts; and (2) that, if he were not so authorized, his act in this case would be deemed ratified, through the knowledge of the bank's officers, obtainable from the draft itself, or the records of the bank from which they actually knew, or were chargeable, in the exercise of ordinary care, with knowing, the transaction. The case is utterly devoid of proof that Valentine was ever authorized by any one to draw drafts of this character for his individual account against the funds of the bank with its New York correspondent. It does appear that he had overdrawn his account and borrowed money on questionable securities, but those transactions are stated by the letters to the banking department to be ones with which the directors were familiar, and about which the directors knew, and for which they held securities, and in which the directors only differed with the banking department as to the sufficiency of the security they had required Valentine to pledge for those loans. There is no proof that those loans were not made in the usual course, nor that the directors authorized or acquiesced in the use of the bank's funds by Valentine before, or without, their knowledge; nor that Valentine, in any of the transactions out of which these obligations arose, had ever dealt with any person to create his indebtedness to the bank before the bank directors knew of it and had authorized his use of the funds; nor is there anything to show, in any of those letters to the banking department by the President of the bank, or from that department to the bank, that the directors knew he was using the funds of the bank, without their knowledge or consent, in his individual transactions, or that he had paid a single individual debt before they were advised of it, and had received security from him for the money which he proposed to use to pay it.

It would have been an entirely different situation if he had been in the habit of drawing similar drafts against the bank's funds for his individual purposes before consulting the President or the directors, and they had known of or subsequently approved such acts. That would have made a case within the principle ruled in Goshen Nat. Bank vs. State, hereafter considered, but that is not this case.

Whatever acts are proven to have been done by Valentine without the approval of the President or directors first obtained, were admittedly concealed transactions, not open ones—fraudulent acts. It is not pretended that a single one of the thirteen drafts alleged to be fraudulent, out of over 16,000 honest ones, was actually authorized or ratified by the President or the directors; nor is it pretended that a single open transaction of that kind was known to or ratified by them. It is not concealed dishonest transactions

which made a ratification, but open ones of a character similar to the alleged dishonest ones. (Gale vs. Bank, 43 C. C. A. 496, 104 Fed. 214.)

If a bank gives its Cashier authority to draw drafts for his own account on its funds, or ratifies his acts in known transactions which he openly conducts, honestly or dishonestly, it will not be permitted to say that a similar transaction which he secretly and by concealment conducts does not bind it. The distinction is just there. This was the basis of the decision of the New York Court of Appeals in Goshen Nat. Bank vs. State, 141 N. Y. 379, 36 N. E. 316, upon which the plaintiff in error so strenuously relies. The opinion in that case cites the facts very meagerly. Through the courtesy of the present chief judge of that court, I have had before me all the proofs, findings and exhibits upon which that case was decided; and an examination of the record fully sustains Judge Peckham in saying that the Cashier there "had the right to draw a draft on the corresponding bank of the claimant for himself upon the same terms that he had to draw a draft for a stranger." Henry Bacon, the President, testified that "he (the Cashier) had a right to draw a draft on the Importers and Traders' National Bank for himself upon the same terms that he would draw for a stranger." George Grier, the Assistant Cashier of the bank, testified that he was well acquainted with the Cashier's methods of drawing drafts in all his transactions as county treasurer for more than a year prior to the drawing of the fraudulent draft in controversy, and that during that period Murray "was accustomed to draw checks as county treasurer against the funds in his hands as such treasurer on deposit in the Goshen National Bank, payable to the Goshen National Bank, in various amounts, and then, as Cashier of said Goshen National Bank, to draw drafts for a similar amount on the Importers and Traders' National Bank of the City of New York, against the funds of the Goshen National Bank on deposit with said Importers and Traders' National Bank, placing said drafts to his credit in said Importers and Traders' National Bank as county treasurer."

There was no dispute, under the facts in that case, that practically all the time that Murray, the Cashier, was county treasurer, he had used the bank's drafts for his own purposes, as such treasurer, to transfer funds to New York, with the knowledge of the President, Assistant Cashier, and directors. He was also permitted to draw such drafts to himself or a stranger in county treasurer matters, with the same freedom that he would issue such a draft to any customer of the bank. They had allowed him to treat himself in his official relation of county treasurer, in the matters of issuing Cashier's checks or drafts for county treasurer's account, as he was permitted to do for any other depositor or other person dealing with the bank in the ordinary course of business. That case was, upon its facts, in exact conformity with the principle here sustained, and upon all the cases, under the facts proven, was rightly decided. Judge Peckham himself expressly distinguishes the Goshen Bank Case from cases like the one before us in Bank of New York National Banking Ass'n vs. American Dock and Trust Co. 143 N. Y. 559, 564, 38 N. E. 713.

Nor will the facts in this case justify a finding of constructive notice to the directors of the Middlesex County Bank, arising from a failure to know what they would have known, had they exercised ordinary care, as to the draft issued by Valentine to Miller. If the draft had been drawn to Valentine's own order, it would have heen discoverable upon inspection, and some

question might then have arisen. This draft was drawn to "John A. Miller, Attorney," and was regularly entered on the stub of the draft book, and would appear perfectly regular in the account current when returned by the National Park Bank with the vouchers at the end of the month. A bank may issue its draft to any one who pays for it. Is it to be said that a bank will be held to ratify a draft fraudulently issued by its Cashier, though regular on its face, because the other officers of the bank do not trace through the books of the bank to see to what account it is charged? Upon the face of the draft, no one but Miller, the attorney, and the officers of the plaintiff in error, besides Valentine, could have known the draft was for his individual debt. That which is discernible by inspection, upon the face of a draft or record, and which needs no investigation to show it to be out of the ordinary, and therefore speaks for itself, will, no doubt, raise an implied or constructive ratification, if seen by officers or directors. And failure to exercise ordinary care in checking off vouchers or inspecting records by bank officers will, no doubt, also raise such a ratification, if it appears that, if they had so examined the same, a simple inspection thereof would have shown the facts. They are undoubtedly chargeable with the things they know, or would have known by the exercise of ordinary care, and are estopped from denying the responsibility thereon unless repudiated within a reasonable time after such knowledge or imputed knowledge. But the facts in this case as to the draft in question do not bring it within this rule.

All the points here determined are fully discussed by the opinion in Lamson vs. Beard (decided in the United States Circuit Court of Appeals and the same conclusion reached as here), 36 C. C. A. 56, 94 Fed. 30, 45 L. R. A. 822.

Under all the cases, and upon principle, under the facts in evidence, the trial court was right in directing a verdict for the plaintiff, and the judgment of the supreme court entered on that verdict is affirmed.

APPROPRIATION OF FUNDS TO PAYMENT OF DEBT DUE BANK—TRUST FUNDS.

Supreme Court of Nebraska, April 2, 1902.

GLOBE SAVINGS BANK vs. NATIONAL BANK OF COMMERCE OF NEW LONDON, CONNECTICUT.

A bank has the right to appropriate the funds of a depositor to the extent of the indebtedness due from him; but if the deposit, or any part thereof, is a trust fund, and the bank has notice of this fact, it will be liable to the true owner if it appropriates such fund to the discharge of an indebtedness due from the depositor.

A bank which appropriates a deposit made by a customer to reduce his indebtedness due the bank, knowing the deposit, or a part thereof, to be a trust fund, is liable to the true owner for a conversion of his money, and an action at law to recover the amount can be maintained.

This was an action brought by the National Bank of Commerce against the Globe Savings Bank and the Globe Loan and Trust Company to recover the proceeds of four paving warrants issued by the city of Omaha, which had been sent by the plaintiff to the Globe Loan and Trust Company for collection, and which were collected by that company October 31, 1895, in the sum of $1,258.94. The petition alleged that the Globe Loan and Trust Company, fraudulently and without authority, turned the money over to the plaintiff in error, and that it received the money "with full knowledge that the same

was the property of the plaintiff, and that the defendant Globe Loan and Trust Company had no right or authority to pay and deliver the same to the Savings bank."

DUFFIE, *C.* (omitting part of the opinion): We conclude, therefore, that there is sufficient competent evidence in the record to sustain a finding that the check in question was deposited by the Globe Loan and Trust Company to its credit in the Globe Savings Bank.

The evidence is undisputed that at the date of the deposit of this check the Globe Loan and Trust Company was indebted to the Globe Savings Bank in a sum exceeding $5,000, and the question arises, whether, by using this check to reduce the amount of that indebtedness, the Savings Bank converted the money of the Commercial National Bank, and is liable therefor in this action.

There can be no question that a bank has a lien on the deposits of its customers for any debt due, and that it may apply a deposit made by a customer indebted to it in payment of an overdraft or any indebtedness which the bank may hold against him. This is the general rule; but, like all general rules, it has its exceptions. A bank cannot apply money paid in by a customer and held by him as trustee for another to the payment of his own debt. If the bank has knowledge of the trust relation it will be liable for a conversion of the fund in case it applies it in satisfaction of its own indebtedness.

In Central Nat. Bank vs. Connecticut Mut. Life Ins. Co. (104 U. S. 54), it was held that when, against a bank account designated as one kept by the depositor in a fiduciary character, the bank seeks to assert its lien as a banker for a personal obligation of the depositor known to have been contracted for his private benefit, it must be held as having notice that the fund represented by the account is not the individual property of the depositor if it is shown to consist, in whole or in part, of funds held by him in a trust relation.

In Banking Co. vs. Boone (102 Ga. 202), it is said: "A bank cannot, without incurring liability to the true owner, knowingly appropriate to the satisfaction of a debt due to it by another trust funds deposited with it by him after the creation of such debt." In Bundy vs. Town of Monticello, 84 Ind. 119, it was held that a trust fund, or money substituted for such fund, may be recovered from the trustee, and all persons having notice of such trust into whose hands such fund may come.

An extensive and interesting note covering the law on the question involved will be found in Road Co. vs. Paviour (N. Y.) 52 L. R. A. 790 (s. c. 58 N. E. 114).

The Globe Loan and Trust Company and the Globe Savings Bank transacted business in the same building and used the same vault, and both corporations were largely composed of the same stockholders and officers. The same person was President of both corporations, and the Cashier of the Globe Savings Bank, who indorsed the check in question for deposit in the Commercial National Bank to the credit of his own bank, was Secretary and Treasurer of the Globe Loan and Trust Company, and other officers of the Globe Savings Bank were trustees and officers of the Globe Loan and Trust Company; so that the bank was chargeable with knowledge that the check taken by the Globe Loan and Trust Company, in payment of the warrant of the plaintiff below, was a trust fund, and that it could not be appropriated, to the extent, at least, of the interest of the defendant in error to reduce the

amount due from the Globe Loan and Trust Company to the Globe Savings Bank. Having this knowledge, and making the application, was a conversion of the fund, and, having converted the money of the defendant in error, there is no doubt of its liability for the money converted.

POWERS OF PRESIDENT—LOANS MADE BY—CONDITIONS OF.

Supreme Court of Missouri, Division No. 2, March 11, 1902.

ROE vs. BANK OF VERSAILLES.

Where a person borrows money of a bank, through its President, he can not deny the authority of such officer to make the loan, or to prescribe the terms and conditions thereof.

This was an action to recover damages for refusal to pay plaintiff's checks.

The evidence tended to show that plaintiff had been trading in stock, and about August 1, 1897, applied to the President of the Bank of Versailles for money to enable him to buy merchantable hogs. It was agreed that the bank would advance money from time to time on his checks to enable him to purchase hogs suitable for the market. The hogs were to be delivered by plaintiff to his agent, one William Callison, and when sold by the latter the money was to be deposited in the bank to meet the overdrafts created when they were purchased.

SHERWOOD, *J.* (omitting part of the opinion): Plaintiff's objection to Dr. Woods, the President, testifying that he made an agreement with plaintiff whereby the latter was to get money from the bank to buy a certain description of hogs, on the ground that the President could not contract for the bank to loan its money to a customer, had in the circumstances here presented no foundation in law.

As was said by Gantt, *P. J.*, when speaking as the organ of the court in Spark vs. Dispatch Co. 104 Mo. *loc. cit.* 540. "The president of a business corporation is its chief executive officer. He may, without any special authority from the board of directors, perform all acts of an ordinary nature which by usage or necessity are incident to his office, and may bind the corporation by contracts in matters arising in the usual course of business. (Boone, Corp. Sec. 144; Stokes vs. Pottery Co. 46 N. J. Law, 237.")

But, apart from direct authority owing to and arising from official position, it does not lie in plaintiff's mouth, after having borrowed the money from the bank through the President, now to deny the authority of the President either to loan the money to him or to dictate the terms of such loan. If the plaintiff's position be correct, that the President had no authority to loan the bank's money, then it inevitably follows that plaintiff never got the money from the bank at all, and consequently had no money in the bank to draw on, and therefore had no ground of action against the bank for not honoring his checks. In other words, plaintiff's position on this point, if successful, would cause the bottom to drop out of his cause of action. Not only is plaintiff estopped from pleading the President's lack of power in this regard, but the bank itself, having let the plaintiff have its money, through the assumed agency of its President (if it was assumed), is also estopped to deny the legitimate nature of the loan. And in the absence of countervailing evidence, inasmuch as the bank's books show the loan was made, it will be presumed that the nature and character and all the essential features of the

loan were made known to the bank; and, as no disapproval by the bank of the loan appears, it will be presumed the bank approved of the loan in all points and particulars, for this is the ordinary presumption of law and the usual course of business. (Long vs. Smelting Co. 68 Mo. 422; Breckinridge vs. Insurance Co. 87 Mo. *loc. cit.* 71; Story, Ag. Sec. 140; Lenox vs. Harrison, 88 Mo. *loc. cit.* 496, and cases cited.)

And on another ground, even if the act of the President were wholly unauthorized, that act can be upheld, and that is on the basis of ratification, which is as effectual against a corporation as against an individual in like circumstances, and tantamount to prior authorization. (Bank vs. Fricke, 75 Mo. 178, and cases cited; Bank vs. Gay, 63 Mo. 33.)

If Dr. Woods, the President, either in point of law, as being the executive officer of the bank, or through custom or usage, or in consequence of ratification, was or became authorized to make the contract with plaintiff about the hogs and the terms on which plaintiff could get the money, it was entirely competent to permit Dr. Woods to state what kind of hogs under the terms of the contract plaintiff was to buy as a condition of getting credit at the bank.

USURY BY NATIONAL BANK—REMEDY—RENEWAL NOTES.

Supreme Court of Appeals of West Virginia, March 22, 1902.

CHARLESTON NATIONAL BANK vs. BRADFORD.

Usurious interest paid a National bank on renewing a series of notes cannot, in an action by the bank on the last of them, be applied in satisfaction of the principal of the debt.

The remedy given by the National Bank Act for the recovery of usurious interest paid to a National bank is exclusive.

McWHORTER, *J.:* This was an action of assumpsit brought by the Charleston National Bank against W. A. Bradford in the Circuit Court of Kanawha county, with an *indebitatus* count on a note dated October 18, 1899, for $278, negotiable and payable to said bank sixty days after date at said bank at Charleston, W. Va., with eight per centum interest after maturity until paid. Plaintiff filed the affidavit of H. L. Pritchard, its Cashier, under section 46, c. 125, Code, showing amount plaintiff was entitled to recover under the declaration, "including principal and interest, after deducting all payments, credits and set-offs made by the defendant," to be the sum of $289.81. The defendant appeared and tendered a special plea in writing, accompanied with an affidavit, to the filing of which plea and affidavit the plaintiff objected and excepted; the court overruled said objections and exceptions, and allowed said plea and affidavit to be filed, to which ruling the plaintiff excepted.

The affidavit, omitting the formal parts, is as follows:

"That he does not owe to the plaintiff, as he verily believes, to exceed two hundred and fifty dollars in said action; that said claim so sued on embraces a long series of notes and renewals thereof, upon each of which was paid usurious interest; and that it is impossible to ascertain the true and accurate amount so due the plaintiff without an account taken of all of said transactions from the beginning, and he is unable to say just what amount is really and legally due the plaintiff in this action."

The special plea in writing tendered by the defendant was "that the contract in the said declaration mentioned was for the payment of a greater

amount of interest than six per centum. And this the defendant is ready to verify."

Plaintiff asked and obtained leave to amend its declaration, after naming the plaintiff and alleging it to be a corporation by adding the words, "a National bank duly chartered and organized under the laws of the United States of America, in the city of Charleston, county of Kanawha, and State of West Virginia." The defendant then asked and obtained leave to amend his special plea by adding to the end of it, "and that said plaintiff is not a National bank duly chartered and organized under the laws of the United States of America," to which amendment plaintiff objected and excepted. The court rendered judgment for plaintiff for $250, the amount exceeding which defendant stated in his affidavit he was not indebted to plaintiff, with interest on said sum from September 3, 1900, until paid, and as to the residue of said claim the court retained same for trial on the plea of usury. To the ruling of the court in rendering such judgment, and in allowing said amendment to the declaration, and in not requiring the plaintiff to reply generally to the special plea before rendering the judgment, and in not directing the said special issue as provided in section 6, c. 96, Code, the defendant objected and excepted, and obtained a writ of error and supersedeas to said judgment.

Section 41, c. 125, Code, provides that it shall not be necessary to prove the existence of a corporation alleged in the declaration to be such, unless the pleading which puts the matter in issue be verified, or an affidavit be filed with it denying the existence of such corporation.

This amendment to the plea should not have been permitted to be made. Section 5197, Rev. St. U. S., provides that "any association may take, receive, reserve, and charge on any loan or discount made, or upon any note, bill of exchange, or other evidence of debt, interest at the rate allowed by the laws of the State, Territory, or district where the bank is located and no more, except that where by the laws of any State a different rate is limited for banks of issue organized under State laws the rate so limited shall be allowed for associations organized or existing in any such State under this title." Section 5198, Id., provides: "The taking, receiving, reserving, or charging a rate of interest greater than is allowed by the preceding section, when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. In case the greater rate of interest has been paid, the person by whom it has been paid or a legal representative may recover back in an action in the nature of an action of debt twice the amount of the interest thus paid from the association taking or receiving the same; provided such action is commenced within two years from the time the usurious transaction occurred"—and then provides that such action may be brought in the United States courts, or State, county, or municipal courts, where the association is located, having jurisdiction in similar cases.

The questions arising in this case are controlled by the case of Bank vs. Boylen, 26 W. Va. 554, in which case the syllabus is as follows: "1. Under the provisions of the act of congress (Rev. St. U. S. sections 5197, 5198), usurious interest, actually paid to a National bank on discounting and renewing a series of notes, cannot, in an action by the bank on the last of them, be applied in satisfaction of the principal of the debt. 2. The said act having prescribed, as the penalty for taking usurious interest, that the person pay-

ing the same may, in an action, recover twice the amount so paid, he can resort to no other mode or form of procedure. 3. Congress having prescribed the penalty for the taking of usurious interest by a National bank, and likewise the remedy for recovering such interest, the States and their courts are bound thereby, and they can neither add to the penalty nor apply any remedy other than that so prescribed."

In Driesbach vs. Bank, 104 U. S. 52, it is held: "Usurious interest paid a National bank on renewing a series of notes cannot, in an action by the bank on the last of them, be applied in satisfaction of the principal of the debt." (Stevens vs. Bank, 111 U. S. 197.)

The affidavit of defendant filed with his plea disclosed the fact that his only defense to the action of plaintiff was the usurious interest paid on "a long series of notes and renewals thereof, upon each of which was paid usurious interest." Under section 5197, Rev. St. U. S., defendant could make no such defense in this case.

In Stevens vs. Bank, cited, it is held, "The remedy given by Rev. St. U. S. section 5198, for the recovery of usurious interest paid to a National bank, is exclusive;" and cites Barnet vs. Bank, 98 U. S. 555; Bank vs. Dearing, 91 U. S. 29; Driesbach v. Bank, *supra.*

It appears from the note sued on in this case that it was to draw usurious interest from date of its maturity. The judgment of the circuit court should have been for the plaintiff for $278, the principal of said note, with interest from April 9, 1901, the date of the judgment. The interest on said note being forfeited by the express terms of the statute (said section 5198), the judgment therefore is set aside and annulled, and, this court proceeding to render such judgment as the circuit court should have rendered, it is considered that the plaintiff recover against the defendant $278, the principal of said note, with interest thereon from April 9, 1901, until paid, and its costs expended in the circuit court, and, being the party substantially prevailing in this court upon the writ of error, is entitled to costs and damages according to law.

PROTEST—MEANING OF TERM—DUTY OF NOTARY.

Supreme Court of Nebraska, February 6, 1902.

DARTMOUTH SAVINGS BANK VS. FOLEY, *et al.*

Where paper is remitted to a bank with instructions to "protest," the term includes all the steps necessary to fix the liability of the drawer or indorsers.

In Nebraska a notary public is authorized to give notice of dishonor, and the giving of such notice is accounted an official duty.

Where a bank receives paper with a direction to "protest," it is liable only for due care in selecting a notary.

This was an action to recover damages for failing to give due notice of dishonor to an indorser, whereby the indorser was discharged.

HASTINGS, *C.* (omitting part of the opinion): It is claimed that the petition merely alleges damages by reason of a failure to follow instructions, and as no instructions were given, except merely to protest the note, there can be no recovery. This ground for supporting the judgment cannot be sustained. It is entirely true, as remarked in Daniel, Neg. Inst. section 929, the term "protest" includes, in a popular sense, all the steps necessary to fix the liability of a drawer or indorser of negotiable paper. It is so understood cur-

rently among commercial men, and the meaning is recognized in Wood River Bank vs. First Nat. Bank (36 Neb. 744). It was also recognized by the defendant Parks as having that meaning, and he undertook to follow his instructions in that respect. Plainly, that was what was both meant and understood by this word in the advice with this note.

* * * * * * * * * *

It is urged that it is not a part of a notary's official duty to give notice of dishonor of paper intrusted to him. Such is the doctrine of commercial law. In the absence of any statutory change in the law, he is to be deemed, so far as notices are concerned, the mere agent of the holder. (Swayze vs. Britton, 17 Kan. 625.) It is to be observed, however, that the Kansas statute differs materially from ours. In that State his certificate is evidence of protest only; in ours, of notice as well. (Section 349, Code Civ. Proc.) In that State his authority is to protest paper. In Nebraska his express authority is to give notice, also. (Comp. St. c. 61, Sec. 6.) He is allowed an official fee, which was charged in this case. (Id. c. 28, Sec. 19.) It seems clear that in this State the giving notice of dishonor must be accounted an official duty. It is so held under statutes much less distinctly making it so than ours. (Wheeler vs. State, 9 Heisk. 393; Insurance Co. vs. Wilson, 29 W. Va. 548; Tevis vs. Randall, 6 Cal. 632; Hyde vs. Bank, 17 La. 563.)

If this is to be regarded as an official act of the notary, of course, the contention of defendant that he was only a subagent cannot be sustained. It would seem that the bank would be liable for only due care in selecting a notary. The remitter, in directing a protest, must be presumed to have known that the corporation to which he was sending his note could not act as a notary, nor could it control the naming of any individual who could. Of course, where he is a mere agent of the holder in giving notice, it is possible to hold the bank liable for his act. If, however, the act is an official one, it would be absurd to so hold. This distinction seems to be made in Allen vs. Bank, 22 Wend. 215. In Wood River Bank vs. First Nat. Bank, 36 Neb. 745, the opposite rule is sanctioned by this court. (Hyde vs. Bank, *supra*.)

INSOLVENT BANK—SET-OFF.

Supreme Court of Michigan, May 8, 1902.

THOMPSON vs. UNION TRUST COMPANY.

Where a bank has become insolvent and closed its doors, a depositor may set off against his deposit notes of his held by the bank, though such notes have not then matured.

On February 10, 1902, the City Savings Bank, a Michigan corporation, located in the city of Detroit, was insolvent; and on that day the Commissioner of the Banking Department closed and took possession of such bank. On that day there was in the possession of the bank two notes made by Frank M. Thompson, the petitioner—one for $3,021, dated August 12, 1901, due six months after date and one for $910 dated January 17, 1902, due four months after date. At the time of the failure, Thompson had to his credit upon the books of the bank, on deposit, the sum of $2,458.43, subject to check. On February 19, 1902, Thompson demanded from the Receiver, that he apply upon the above-described notes the deposit due Thompson, and, upon payment by him of the balance due upon the notes after the deposit had been

deducted, surrender to him the notes. This the Receiver was required to do, and from the order containing such direction he appealed.

GRANT, *J.*: Counsel for appellant contends these deposits are not subject to set-off, because not mutual credits; that they are not mutual, because, at the time the bank suspended, the debt owing from petitioner to the insolvent bank was not due; that such set-off would affect the rights of other creditors, and would give petitioner a preference over them. He is unable to find any Michigan cases directly in point, but cites several which he thinks in principle support his position, which will be referred to later.

It is conceded the deposit of Mr. Thompson became due, without demand, when the bank became insolvent. (Colton vs. Association, 90 Md. 85; Scott vs. Armstrong, 146 U. S. 499.) It is also conceded that the Receiver stands in the place of the bank, subject to all equities against the bank, and does not sustain the relation of a purchaser of the notes for value, without notice. (See Louis Snyder's Sons Co. vs. Armstrong [C. C.] 37 Fed. 18; Van Wagoner vs. Gaslight Co. 23 N. J. Law, 283; Sherwood vs. Bank, 103 Mich. 109.)

It is urged that, if this bank was solvent—a "going bank"—it could not compel Mr. Thompson to pay the notes until maturity, and, on the other hand, he could not compel the bank to accept payment of the notes until they came due, and as the claim of the bank had not matured when the Receiver was appointed, though Mr. Thompson's claim did mature when the bank became insolvent, and before the Receiver was appointed, it cannot be said the two claims are in any sense mutual credits, and the subject of set-off. Counsel cite in support of this proposition Gibbons vs. Hecox, 105 Mich. 509; Bank vs. Stone, 115 Mich. 648; and Koegel vs. Trust Co. 117 Mich. 542.

An inspection of these cases will show they are distinguishable from the one at bar. In Gibbons vs. Hecox neither debt was due at the time of the insolvency. In Bank vs. Stone the debt to the bank was due at the time of its insolvency, while the debt from the bank was not due, and was a contingent liability. It was held the rights of other creditors had intervened, and their equities were superior to those of debtors seeking to set off claims not due.

In Koegel vs. Trust Co. one of the debts did not come into existence until after the appointment of the Receiver. In Stone vs. Dodge, 96 Mich. 514, Justice McGrath, speaking for the court, said: "There can be no doubt that the certificate of deposit in this case would, in a proper case, be a proper subject of set-off. It is well settled that, in a suit by a Receiver of an insolvent bank upon a note or obligation due the bank, the defendant will be allowed to set off his deposit or a certificate of deposit held by him at the time of the suspension of the bank. (Dickson vs. Evans, 6 Term R. 57; Pedder vs. Mayor, etc., 9 Jur. [N. S.] 496; Bank vs. Rosevelt, 9 Cow. 409; Ogden vs. Cowley, 2 Johns. 274; McLaren vs. Pennington, 1 Paige, 112; Miller vs. Receiver, Id. 444; *In re* Receiver of Middle Dist. Bank, Id. 585; 19 Am. Dec. 452; Smith vs. Fox, 48 N. Y. 674; Bank vs. Tartter, 4 Abb. N. C. 215; Berry vs. Brett, 6 Bosw. 627; Jordan vs. Sharlock, 84 Pa. 366, 24 Am. Rep. 198; Farmers' Deposit Bank vs. Penn Bank, 123 Pa. 283, 16 Atl. 761, 2 L. R. A. 273; Fidelity Trust and Safety Vault Co. vs. Merchants' Nat. Bank [Ky.] 9 L. R. A. 108, 13 S. W. 910; Van Wagoner vs. Paterson Gaslight Co. 23 N. J. Law, 283; Platt vs. Bentley, 11 Am. Law Reg. [N. S.] 171; Clarke vs. Hawkins, 5 R. I. 219.)

The case of Scott vs. Armstrong, 146 U. S. 499, is in point. This was an

action by the Receiver of the Fidelity Bank against the maker and indorsers of a promissory note which did not mature until after the insolvency of the bank. One of the defendants sought to offset its deposit with the Fidelity Bank at the time of the failure. This set-off was not allowed in the United States Circuit Court for the Southern District of Ohio. An appeal was taken to the circuit court of appeals, who certified the questions involved to the supreme court. Mr. Chief Justice Fuller delivered the opinion of the court, in which the lower court is reversed and the set-off allowed. We quote from the opinion, as follows:

"The note in controversy did not mature until September 7, 1887, but the deposit to the credit of the Farmers' Bank was due, for the purposes of suit, upon the closing of the Fidelity Bank, as under such circumstances no demand is necessary. The Receiver took the assets of the Fidelity Bank as a mere trustee for creditors, and not for value and without notice, and, in the absence of statute to the contrary, subject to all claims and defenses that might have been interposed, as against the insolvent corporation, before the liens of the United States and of the general creditors attached. The right to assert set-off at law is of statutory creation, but courts of equity from a very early day were accustomed to grant relief in that regard independently, as well as in aid of statutes upon the subject. * * * Courts of equity frequently deviate from the strict rule of mutuality when the justice of the particular case requires it, and the ordinary rule is that, where the mutual obligations have grown out of the same transaction, insolvency on the one hand justifies the set-off of the debt due upon the other. * * * In the case at bar the credits between the banks were reciprocal, and were parts of the same transaction, in which each gave credit to the other on the faith of the simultaneous credit, and the principle applicable to mutual credits applied. It was therefore the balance upon an adjustment of accounts which was the debt; and the Farmers' Bank had the right, as against the Receiver of the Fidelity Bank, although the note matured after the suspension of that bank, to set off the balance due upon its deposit account, unless the provisions of the National Banking Law were to the contrary." After quoting the act it continues: "The provisions of the act are not directed against all liens, securities, pledges, or equities whereby one creditor may obtain a greater payment than another, but against those giving or arising after, or in contemplation of, insolvency. Where a set-off is otherwise valid, it is not perceived how its allowance can be considered a preference, and it is clear that it is only the balance, if any, after the set-off is deducted, which can justly be held to form part of the assets of the insolvent."

Jones vs. Piening, 85 Wis. 264, quotes the case of Oatman vs. Bank, 77 Wis. 505, which is cited by this court in Mechanics' Bank vs. Stone, 115 Mich. 651, and which is a case similar to the latter, and says:

"The case at bar differs widely from that class of cases, and turns upon a different principle. Here it was not the indebtedness of the insolvent debtor that was not due when the assignment was made, but a portion of the indebtedness from the plaintiffs to the assignee of the insolvent debtor. An assignee of such an insolvent debtor has no authority to waive the time of credit secured for the sole benefit of his assignor, and to pay a debt not due with credits, or the avails of credits, which are due to the assignor at the time of the assignment, for to do so would tend to prejudice the creditors of the

insolvent's estate; but a debtor to such an estate, whose debt was not due at the time of the assignment, has authority to waive the time of credit which was secured for his own benefit, and to pay the claim at once in money, or by way of set-off of the amount due him from such estate. This rule is firmly sanctioned in other States."

To the same effect are Smith vs. Fox, 48 N. Y. 674; Rothschild vs. Mack, 115, N. Y. 1; Smith vs. Felton, 43 N. Y. 419; Lindsay vs. Jackson, 2 Paige, 581; Colton vs. Association, 90 Md. 85, 45 Atl. 23, 46 L. R. A. 388; Jordan vs. Sharlock, 84 Pa. 366; Bank vs. Hemingray, 34 Ohio St. 390; Keightley vs. Walls, 27 Ind. 387; Smith vs. Spengler, 83 Mo. 408; Jones vs. Robinson, 26 Barb. 310; *In re* Van Allen, 37 Barb. 229; Stewart vs. Anderson, 6 Cranch, 203; Davis vs. Manufacturing Co. 114 N. C. 321; Adams vs. Drug Co. (C. C.) 57 Fed. 888; Martin vs. De Loge, 15 Mont. 343; Yardley vs. Clothier, 2 C. C. A. 349, 51 Fed. 506, 17 L. R. A. 462; *ex parte* Prescot, 1 Atk. 230; Morse, Banks, Sec. 338.

As the precise question involved here is a new one in this State, but has been, as we have shown, directly passed upon in the Federal courts and many of the State courts, we feel bound to follow those decisions.

Judgment is affirmed.

CERTIFIED CHECK—AUTHORITY OF TELLER TO CERTIFY.

Court of Appeals of St. Louis, Mo., April 15, 1902.

MUTH vs. ST. LOUIS TRUST COMPANY.

The teller of a bank has no implied authority to certify checks, but if he has been permitted to perform this duty with the knowledge and acquiescence of the directors and officers of the bank, he will be deemed, so far as the public are concerned, to have such power.

This was an action on a certified check drawn by E. G. Muth & Co. on the St. Louis Trust Company in favor of W. E. Muth, plaintiff, for $1,950, dated January 14, 1897. Across the face of the check are written these words: "Good, St. Louis Trust Company, by F. P. Jones, Tell." The answer was, first, a general denial for want of authority in Jones, as teller, to certify the check.

BLAND, *P. J.* (after stating the facts): 1. When the case was here before (88 Mo. App. 596), it was found from the evidence that the defendant had fully entered upon the domain of banking, in respect to receiving deposits and paying out money on checks, and that it should be held to have accepted the incidents and responsibilities incident to that department of banking, and that it had the power to certify checks drawn on it, and that when it certified a check it assumed an obligation the same in degree as a bank would have contracted by doing a like act. It was not held, however, that Jones, as paying teller, was, by virtue of his employment, clothed with authority to certify checks, but that, if this authority existed, it must be inferred from the course or conduct of Jones in regard to the certification of checks, and the payment of them afterwards by the defendant.

In Walker vs. Bank, 5 Mo. App. *loc. cit.* 217, it is said that a teller of a bank "is an agent acting under a special or express authority, and not one so appointed by a principal that there can arise any implication of undefined powers."

In 1 Morse, Banks (3d Ed.) Sec. 413, it is said that "the Cashier, Presi-

dent, and teller (of a bank) have inherent power to certify checks," but that "the authority of a subordinate officer to certify must be shown by a course of dealing or actual authorization."

In 2 Daniel, Neg. Inst. Sec. 1610, the author says, " The Cashier (of a bank) undoubtedly has implied power to certify checks."

In 5 Am. & Eng. Enc. Law (2d Ed.) p. 1052, it is said, "The President, Cashier, and teller may, by virtue of their position, bind the bank by certifying checks when presented to them in the due course of business."

In support of the texts in Morse on Banks and Banking, and of the American and English Encyclopedia of Law, that a teller, by virtue of his position, is authorized to certify checks, New York cases only are cited.

The weight of authority undoubtedly is that the Cashier of a bank has inherent authority to certify checks. (Merchants' Nat. Bank vs. State Nat. Bank, 10 Wall. 648, 19 L. Ed. 1008; Martin vs. Webb, 110 U. S. 7.)

Outside of the State of New York, we have not been able to find any case holding that a teller has implied authority to certify checks. His powers seem to be limited to passing on the genuineness of signatures to checks presented for payment, and in paying out the money of the bank on checks. Such power seems to us to be denied to him in Walker vs. Bank, *supra*; and we hold that the court did not err in refusing to instruct that Jones, as teller, had implied authority to certify the check in suit.

2. Where the power is habitually exercised by an agent, such as a teller of a bank, with the knowledge and acquiescence of the bank, the exercise of the power defines and establishes, as to the public, the power so exercised; or, as Mr. Mechem states the rule: "The authority of an agent in any given case, therefore, is an attribute of the character bestowed upon him in that case by the principal. Thus if the principal has by his express act, or as the logical and legal result of his words or conduct, impressed upon the agent the character of one authorized to act or speak for him in a given capacity, authority so to speak and act follows as a necessary attribute of the character; and the principal, having conferred the character, will not be heard to assert, as against third persons who have relied thereon in good faith, that he did not intend to impose so much authority, or that he had given the agent express instructions not to exercise it. The latter question is one to be settled between the agent and himself. It rested with the principal to determine in the first instance what character he would impart, but, having made the determination and imparted the character, he must be held to have intended, also, the usual and legal attributes of that character." (See also Johnson vs. Hurley, 115 Mo. 513.)

The Court very properly submitted the question of Jones' authority to certify the check to the jury, under what we find to be appropriate instructions, in the light of all the facts and circumstances of the case.

WAR REVENUE LAW—TAX ON UNDIVIDED PROFITS.

United States Circuit Court, Southern District of New York, June, 1902.

LEATHER MANUFACTURERS NATIONAL BANK vs. CHARLES H. TREAT, COLLECTOR OF INTERNAL REVENUE.

Under the War Revenue Law the undivided profits of a National bank are to be deemed "capital" for purposes of taxation.

This was an action to recover the sum of $154, paid by plaintiff, under protest, as a tax claimed by defendant to be due on $77,796.14 under the War Revenue Act of 1898. This sum is called profit and loss on plaintiff's books, and "undivided profits" on brief of plaintiff's counsel. It is alleged in the complaint that the books show the bank's financial condition on June 30, 1901, to be as follows: Its entire assets were $11,142,387.50; its entire liabilities (other than liability to stockholders) were $10,064,512.61. The capital stock was $600,000, the amount set aside by vote of the board of directors as surplus was $400,000; those two amounts with the $77,796.14 make a total surplus of assets over liabilities of $1,064,796.14. The defendant demurred to the complaint on the ground that it did not state facts sufficient to constitute a cause of action.

LACOMBE, *Circuit Judge:* The War Revenue Act of 1898 provides that: "Bankers using or employing a capital not exceeding the sum of $25,000, shall pay $50; when using or employing a capital exceeding $25,000, for every additional $1,000 in excess of $25,000, two dollars, and in estimating capital surplus shall be included. The amount of such annual tax shall in all cases be computed on the basis of the capital and surplus for the preceding fiscal year. Every person, firm or company, and every incorporated or other bank, having a place of business where credits are opened by the deposit or collection of money or currency, subject to be paid or remitted upon draft, check or order, or where money is advanced or loaned on stocks, bonds, bullion, bills of exchange, or promissory notes, or where stocks, bonds, bullion, bills of exchange, or promissory notes are received for discount or sale, shall be a banker under this act."

The only question presented is whether the word surplus, as used in the phrase, "in estimating capital surplus shall be included," is to be construed to have some restricted meaning, or in its natural or ordinary sense as including the entire overplus of assets over liabilities. In prior legislation regulating the creation and operation of National banks. the word surplus has been used as covering so much of the surplus profits as have by action of the board of directors been set apart as a sort of reserved or additional capital. If this section of the War Revenue Act dealt only with National banks, there would be much force in the argument that Congress must be assumed to have used the word surplus with the same meaning as in the earlier act, especially relating to such banks. But, when this section was passed, imposing a tax upon capital employed in banking, including surplus, the attention of Congress was not confined to National banks, as may be seen by the careful enumeration of individuals affected by its provisions. It can hardly be presumed that Congress used the word in this section intending that it should mean one thing applied to a National bank, and another thing when applied to a banking firm. Nor does it seem reasonable to hold that Congress intended to require everyone engaged in the banking business, except National banks, to pay tax on the entire excess of assets over liabilities, while these corporations were required to pay on only part of the excess. And it would seem absurd to hold—though it seems to be a natural corollary from the propositions advanced by plaintiff—that a board of directors could set aside large sums each year from the profits, accumulating an additional fund, equal perhaps to the capital and used in the same way, and escape the tax upon it, by the simple device of calling it "undivided profits."

It would seem rather that Congress used the word surplus in its ordinary sense as indicating the amount left over after setting aside sufficient of the assets of a banker to meet his liabilities.

The demurrer is sustained.

PROMISSORY NOTE—WHEN NEGOTIABLE.

Court of Appeals of Texas, May 7, 1902.

ELLIS vs. HAHN.

To be negotiable, a note must be payable to the order of some specified person or to bearer, or must contain language of like import.*

KEY, *J.:* After due consideration our conclusion is that no reversible error is shown. According to the record, the question of appellant's right to protection as a *bona fide* holder of negotiable paper is not in the case. While it is shown that he acquired the notes before maturity, and for a valuable consideration, it is not shown that they were negotiable instruments. The statement of facts recites that the notes were executed "by Max Hahn in favor of the Sutton Steel Electrical Manufacturing Company," and were indorsed by that company without recourse. It is not shown that they were payable to the order of the company, or to bearer, or that other language of like import was incorporated in them. The rule is well settled that some such language is essential to render a written instrument negotiable paper in the sense which entitles a holder to protection as an innocent purchaser. (16 Am. & Eng. Enc. Law [1st Ed.] 479); Tied. Com. Paper, Secs. 6–21.)

The testimony complained of was admissible, and no error of which appellant can complain was committed in giving and refusing instructions.

CONDENSED LEGAL DECISIONS OF INTEREST TO BANKS.

DEPOSIT OF COURT FUNDS—BOND OF INDEMNITY.

A bank has been created a depository of certain court funds. Thereafter, there being rumors to the effect that the bank was financially embarrassed, it entered into a bond to pay checks of Receivers drawn under orders of the court. Thereafter a Receiver drew his check by order of the court for all the funds to his credit in favor of the clerk of said court. Payment was refused. *Held*, that a complaint in an action on the bond, setting out such facts, stated a cause of action.

Where one of the obligors in a bond delivers it to an attorney of a party in interest, and he holds the same for some months, and thereafter delivers it to the obligee, it is a sufficient delivery.

In an action on an indemnity bond an obligor cannot show by parole evidence that he thought he was signing some other paper, or that others would sign the bond with him.

In an action on an indemnity bond given by a bank to recover the amount of deposits, a decree finding the amount due in a suit to which all the parties to an action on the bond were before the court is *res judicata*.

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*It is provided by the Negotiable Instruments Law that "an instrument to be negotiable * * * must be payable to order or to bearer" and that "the instrument is payable to order where it is drawn payable to the order of a specified person or to him or his order."

Where a bank is in the hands of a Receiver, a demand for payment of a deposit due by the bank is properly made by drawing a check on the bank and demanding payment thereof of the Receiver.

Where a bank, with its officers as sureties, executed a bond to secure deposits, the bond is valid, and based on a valuable consideration, though additions were afterwards made to the deposits by reason of the bond.

Failure to put on an indemnity bond the stamps required by the United States revenue law does not invalidate the bond.

In an action on a bond the obligor admitted signing it. The witness to the bond stated that they did not see him sign it. *Held*, that it was not a charge on the facts for the judge to instruct that the bond was valid, though not witnessed.

Wylie, Clerk of Court vs. Commercial and Farmers' Bank, *et al.* 41 S. E. Rep. (S. C.) 504.

CORPORATION—POWER TO MAKE GUARANTY—TRUSTS.

The Central Railroad and Banking Company of Georgia, which was given by its charter full banking powers, which it exercised, had power thereunder to guaranty the bonds of a railroad company of which it owned a majority of the stock, where such guaranty was made for its own purpose and advantage.

A corporation which assumed the duties of a trustee of a sinking fund created by another corporation for the benefit of its bondholders, and received such fund, will not be permitted by a court of equity to withhold it from those to whom it belongs, or who have claims against it, on the ground that it had no power to act as trustee.

The validity of negotiable bonds issued and sold to *bona fide* purchasers for value is not affected in the hands of a subsequent holder, because an intermediate owner could not have enforced the same.

Central Railroad and Banking Co. of Georgia vs. Farmers' Loan and Trust Co. *et al.* 114 Fed. Rep. (U. S.) 263.

DRAFT—PAYMENT TO THIRD PARTY IMPERSONATING DECEASED PAYEE—RIGHT OF ACTION AGAINST BANK.

Plaintiff's father died, and by his will plaintiff was named as executor, and directed to pay his sister $1,000 in one year. She had lived in another State, but died three months before her father's death, leaving seven children, to whom the legacy passed, and a husband. Plaintiff did not know of her death, and her husband compelled a daughter to write, in her mother's name, for the legacy. After some correspondence in this way a compromise for $900 was agreed on, and the daughter executed and acknowledged a release—personating her mother—on receipt of which plaintiff purchased from defendant bank a draft for $900, payable to the order of his sister, which was received and cashed at a local bank by her husband, after being indorsed in her mother's name by the daughter. The draft, in usual course, was paid by defendant's correspondent, and returned. About two months later, plaintiff learned of his sister's death, and of the date thereof. About four months thereafter the local bank which cashed the draft failed, and two years later her husband died. Thereafter such children, through the orphan's court, compelled plaintiff to pay them the legacy. Plaintiff then, nearly four years

after the draft was purchased, informed defendant that his sister, the payee therein, was dead before the draft was issued, and sued to recover the amount paid for the draft. *Held*, that having by his own act induced the bank to issue the draft to a dead person, and thereby enabled her husband to perpetrate the fraud, plaintiff could not recover.

States vs. First Nat. Bank of Montrose, 52 At. Rep. (Pa.) 13.

IMPAIRMENT OF CAPITAL—ASSESSMENT OF STOCKHOLDERS—ASSESSMENT BY DIRECTORS.

Where, in an action for conversion of stock of a bank, plaintiff offered no testimony in his case in chief as to the value of the stock, and a nonsuit was denied, but on appeal it appeared that the bank was a going one, so that the stock must have had some value, and it appeared from the opinion of the trial court, made a part of the bill of exceptions, that much testimony was taken as to the value of the stock, any error in refusing the nonsuit will be regarded as cured.

Rev. St. U. S. Sec. 5205, provides that every National banking association whose capital stock shall have become impaired, by losses or otherwise, shall, within three months after receiving notice thereof from the Comptroller of the Currency, pay the deficiency in the capital stock, by assessment upon the shareholders *pro rata* for the amount of capital stock held by each, and that if any such association shall fail to pay up its capital stock, and shall refuse to go into liquidation, as provided by law, for three months after receiving notice from the Comptroller, a Receiver may be appointed to close up the business of the association. By section 5151 the liability of a stockholder is the par value of his shares in addition to the amount invested in such shares. *Held*, that the only liability of a stockholder being under section 5151, which arises only on liquidation, on receiving notice from the Comptroller, the question whether the investment of the shareholders shall be increased is one for them to determine, and an assessment by the directors is unauthorized.

Weinhard vs. Commercial Nat. Bank of Portland, Ore., 68 Pac. Rep. (Ore.) 806.

INSOLVENCY—RECEIPT OF DEPOSITS—LIABILITY OF DIRECTORS.

Where a bank director has absolute knowledge that the bank is hopelessly insolvent, and fails to take such steps as lie in his power to close the bank for business, and takes part in any arrangement which permits the bank to be kept open, and deposits to be received, he is personally liable for damages to a depositor who is ignorant of the insolvency, and whose deposits were thereafter received, though the director has expressed an opinion that deposits should not be received, and an arrangement has been entered into for their receipt under proper restrictions, where such arrangement was subsequently abandoned.

Where a director discovers the insolvency of the bank, he will be liable for deposits thereafter received, unless he calls a meeting of the board of directors, or communicates with the Superintendent of the Banking Department, or instructs the Cashier to discontinue the taking of deposits, or warns individual depositors of such insolvency.

In an action by a depositor against a director of a bank for fraud in accept-

ing deposits with knowledge of the bank's insolvency, where a *prima facie* case of fraud is made out, the burden of explanation is on defendant.

Where, at a meeting of the directors of a bank, the books are examined, and it is apparent that the surplus is gone, and that the capital is impaired, it is sufficient to establish knowledge on the part of such director of the insolvency of the bank, so as to render him liable for deposits thereafter received.

In an action against a bank director to recover deposits received after known insolvency of the bank, evidence that checks were drawn at a meeting held after the bank had suspended payment, at which such director was present, in favor of a corporation, of which he was president, and of a corporation of which his brother was an officer, and in favor of the State Treasurer, with whom close relations existed, and that such checks were paid by the bank's clearing-house agent, and were for a larger amount than the visible assets of the bank at the time the insolvency was discovered, is admissible as part of the *res gestae*.

Cassidy vs. Uhlmann, *et al.* 63 N. E. Rep. (N. Y.) 554.

INSOLVENT BANK—DEPOSITS—SET-OFF AGAINST NOTES.

A depositor in an insolvent bank may set-off the deposit standing to his credit when the bank closed its doors against his notes payable to the bank, but not then due.

Thompson vs. Union Trust Co. 90 N. W. Rep. (Mich.) 294.

LIABILITY OF STOCKHOLDERS—DECISION OF COMPTROLLER OF CURRENCY.

The Comptroller of the Currency, at such time as he deems proper, and upon such data as are satisfactory to him, may pass upon the necessity of instituting proceedings against National bank stockholders to enforce their personal liability as such; and when his decision is made it is conclusive, and cannot be questioned in any litigation that may ensue.

When the Comptroller of the Currency decides that it is necessary to enforce the personal liability of a stockholder in an insolvent National bank, and fixes and adjusts the amount thereof, it becomes a definite, liquidated claim against such stockholder, and is subject to sale or assignment by the Receiver like any other claim which he may hold as a part of the bank's assets.

Rev. St. U. S. Sec. 5234, providing that the Receiver of a National bank "may, if necessary to pay the debts of the association, enforce the individual liability of the stockholders," does not impose any such particular personal trust upon the Receiver in the matter of collecting the liability as would deprive him of the power to make a valid assignment thereof after it has been fixed and adjusted by the Comptroller of the Currency.

Where, in an action by an assignee of a National bank Receiver to enforce the personal liability of a stockholder, it appears that the claim was sold and transferred by the Receiver to plaintiff, and that plaintiff is the owner thereof, it will be presumed that whatever formal steps were necessary to make such transfer valid were taken, including any step required by Rev. St. U. S. Sec. 5234, providing that a National bank Receiver, upon order of court, may sell

or compound all bad or doubtful debts, and, on like order, may sell the personal property of such association on such terms as the court may direct.

Waldron vs. Alling, 76 N. Y. Supp. 250.

NOTE—CREDIT—PAYMENT BEFORE DUE—TRUST FUND—AUTHORITY OF AGENT.

A debtor should not ordinarily be punished for over-diligence in meeting his honest obligations.

In an action against a bank for money deposited by a trustee to his own account, evidence of payment by the bank on checks subsequently drawn by such trustee in good faith, relying on his apparent title to said fund, is inadmissible under general denial. Such fact, to be available as a defense, must be specially pleaded. (Cady vs. Bank, 65 N. W. 907, 46 Neb. 756, followed.)

When payment is made to the agent of the holder of a negotiable promissory note, and the authority of such agent to receive such payment is fully established by competent evidence, such payment is binding on the holder of the note, although the agent did not have the note in his possession at the time of such payment.

Trust funds do not lose their character as such by being deposited in a bank by a trustee to his own account. (Cady vs. Bank, *supra*, followed.)

Union Stock Yards Nat. Bank vs. Haskell, *et al.* 90 N. W. Rep. (Neb.) 233.

POWER TO ACT AS COLLECTING AGENT—PRESUMPTION OF CASHIER'S AUTHORITY.

A bank has power to act as agent in the collection and remission of money, though it be due and payable under a lease.

The presumption is that the Cashier of a bank, in receiving money due one on a lease and depositing it subject to his check, is acting officially, rather than individually.

Knapp vs. Saunders, 90 N. W. Rep. (S. D.) 137.

TELLER—IMPLIED AUTHORITY—CERTIFICATION OF CHECKS.

The teller of a banking institution has no implied authority to certify checks, though authority may be implied from his conduct in certifying checks, and the subsequent payment of them by the institution.

In an action against a bank by the payee of a certified check, the defense was fraud. It appeared that plaintiff and his brother, as a firm, had on deposit with defendant a little over $2,000, when a check of the firm, payable to plaintiff, was certified at plaintiff's request; that the same was retained ten months before presentation, during which the account was drawn down to $96, and plaintiff borrowed several thousand dollars, falsely stating to the notary before whom a mortgage was acknowledged that he was unmarried. His explanation as to the delay in presentment was that he had given the check to his wife to deposit, and supposed she had done so until he found it just before presentment. His marriage certificate showed he was not married when he claimed to have given his wife the check, but he testified he had in fact been married prior to that time, but that the ceremony evidenced by the certificate had been performed to please his mother. It was shown that plaintiff knew the bank's teller was not in the habit of charging up checks until

drawn. *Held*, that the evidence was sufficient to send the question of fraud to the jury.

Where, in an action against a bank by the payee of a certified check held by him for ten months before presentment, the defense was fraud, and plaintiff denied that he told a certain person that when giving a mortgage for a loan, during the time he had the check, he had falsely stated himself unmarried, it was error to permit such person to testify that plaintiff did make such statement to him, since the impeachment was on a collateral matter.

Where a certified check given by a firm to one of its members was retained by the payee ten months, during which the account was drawn out, and, in an action on the check, the defense was fraud, it was proper to admit evidence of a conversation between plaintiff and the teller at the time of certification tending to show that it was understood that the check should be presented in a few days; such evidence not tending to vary the written contract, but being a material fact on the issue of fraud.

Muth vs. St. Louis Trust Co. 67 S. W. Rep. (Mo.) 978.

USURY BY NATIONAL BANKS—ACTION TO RECOVER BACK USURIOUS INTEREST—STATUTE OF LIMITATIONS.

A petition to recover back usurious interest from a National bank, under U. S. Rev. St. Secs. 5197, 5198, which shows on its face that the action was not "commenced within two years from the time the usurious transactions occurred," as required by the latter section, cannot withstand a demurrer because of an allegation that the charge and reservation of the usurious interest were without plaintiff's knowledge or consent, since, even if the period of limitation of the statute does not begin until discovery of the wrong, the court will not indulge the presumption that plaintiff's consciousness of the wrong was not aroused until sometime within two years before the commencement of the action.

Talbot vs. Sioux National Bank of Sioux City, Iowa, 22 Sup. Ct. Rep. (U. S.) 621.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B. A., LL. B.; Barrister, Toronto.]

CHOSE IN ACTION—ASSIGNMENT OF—NOT BOUND BY EXECUTION UNTIL SEIZURE—SECURITY UNDER BANK ACT.

RENNIE vs. QUEBEC BANK (3 O. L. R. page 541).

STATEMENT OF FACTS: This was an action by a husband and wife to set aside an assignment to the Quebec Bank, by the husband's execution debtor, of his share or interest in the assets and business of a partnership. The assignment was made in February, 1896, as security to the bank for a past-due debt exceeding the amount of the assignor's interest in the partnership. The husband recovered judgment against the assignor in May, 1896, in an action brought before the assignment, and placed execution in the sheriff's hands in July. Under that execution the sheriff, without making any actual seizure of the partnership assets, purported to sell and convey to the wife in October all the undivided share or interest of the assignor exigible under exe-

cution in the partnership assets or business. Full details of the facts of this action will be found in the MAGAZINE for June, 1901, at page 850. In the judgment there recorded the Divisional Court declined to adjudicate as to whether or not the security taken was contrary to the Bank Act, on the ground that a creditor suing separately could not raise such a question.

JUDGMENT: The question of the sufficiency of the security was disposed of in the Court of Appeal by Armour, C. J. O., in which, referring to section 64 of the Bank Act, which provides that the bank shall not either directly or indirectly lend money or make advances upon the security, mortgage or hypothecation of any land, tenements or immovable property, or of any ships or other vessels, or upon the security of any goods, wares and merchandise; *Held*, that debts are not included in the expression "goods, wares and merchandise" as used in the Bank Act, and that therefore there was nothing in that act prohibiting the Quebec Bank from taking an assignment from Hugo Block, the execution debtor, of the debt due to him from his copartners as security for the debt which he owed to it, and it cannot be said that the taking by the bank of such an assignment as security was beyond the powers of the bank as not being incidental to the powers conferred upon it by its incorporation.

The effect of placing the execution in the sheriff's hands was to bind the goods of the partnership so that into whosoever hands they came they were liable to be seized under it by the sheriff and they might be conveyed away, but not so as to defeat the right of the execution creditor to have them seized. This is a variation from the judgment of the Divisional Court which held that a chose in action was not bound merely by the putting of a writ of execution in the sheriff's hands but only by actual seizure thereunder. What the sheriff should have done was to have seized specific assets of the partnership seizable under execution and to have sold the undivided interest of Block therein, but what he essayed to do was to seize and sell "the undivided share or interest of the defendant Hugo Block exigible under execution in the partnership assets and business carried on by Reid, Taylor & Bayne;" and this he could not do.

INSOLVENT BANK—RIGHT TO SET OFF DEPOSIT AGAINST A DEBT DUE—EXCHANGE OF CHECKS—FRAUDULENT PRESENTMENT—RIGHT TO RECOVER CHECK.

LA VILLE DE MAISONNEUVE vs. CHARTIER (Quebec Reports, 20 S. C. page 518).

STATEMENT OF FACTS: The plaintiff sued for the sum of $2,151.52 on a check for that amount which was drawn on the Banque Jacques Cartier in favor of the defendant and paid by that bank to the defendant. The circumstances under which this action was brought were as follows:

The Banque Ville Marie had failed and the opinion was current that depositors who had deposits in the bank were entitled to set off those deposits at their full value against any debts which they might owe to the bank. The plaintiff owed the Banque Ville Marie $4,060 on a promissory note. The defendant and others were depositors and gave their checks on the Banque Ville Marie to the plaintiff in order that they might be set off against this promissory note, the plaintiff undertaking to reimburse them so soon as relieved from liability on the note. The plaintiff having received the defendant's check on the Banque Ville Marie, gave back to him a check on the

Banque Jacques Cartier to hold as security. Meantime the Banque Jacques Cartier also suspended payment. In the winding up of the Banque Ville Marie this right of set-off was not established, and the plaintiff was compelled to pay to the bank the full amount of the note. About this time the Banque Jacques Cartier resumed payment and the defendant cashed the plaintiff's check and received the above sum therefor. It was to recover back this sum that this action was brought.

JUDGMENT (Taschereau, *J.*): *Prima facie* the presumption was in favor of the defendant that he had received the check as the holder in due course unconditionally for value, but this presumption had been rebutted by the evidence which sustained the plaintiff's contention. The check did not become the property of the defendant; it was really placed in his hands as security that the plaintiff if successful in discharging the check for $4,060 by set-off would repay to the defendant the amount of the said check. The right of set-off was refused, as in law it ought to have been refused, and the defendant therefore acted in bad faith in presenting and taking payment of the check instead of returning it. The plaintiff will therefore have judgment for the sum of $2,151.52, which was received by the defendant without right and without consideration, together with interest from the day on which the said check was paid by the Banque Jacques Cartier.

MUNICIPAL DEBENTURES—PURCHASERS OF UPON INQUIRY—VALIDITY OF

HANSON BROS. vs. CORPORATION OF THE VILLAGE OF GRAND'MERE
(Quebec Reports, 20 S. C. page 77).

STATEMENT OF FACTS: This was an appeal by the plaintiffs, Hanson Bros., from the judgment of Curran, *J.*, in the Superior Court, holding that the village was not liable as guarantor of a debenture of the Stadacona Water, Light and Power Company for the sum of $3,125. Judgment was given by Curran, *J.* against the company, and they had not appealed therefrom.

The Town Corporations Act provides that all by-laws involving financial responsibility must be passed on petition of a certain percentage of the ratepayers, and after certain other formalities have been complied with must receive the assent of the Lieutenant-Governor of Quebec. The debenture in question recited on its face that all necessary preliminaries by the corporation's officials had been taken, but did not recite that the consent of the Lieutenant-Governor had been received—in fact this assent had not been given. The duty of bankers and others purchasing municipal debentures was defined by the Court as follows:

JUDGMENT (Sir A. Lacoste, *C. J.;* Bosse, Blanchet, Hall and Ouinet, *JJ.*): The purchaser of a corporate security is bound to know whether the corporation has power to issue such security, and in the case of a guarantee of such security, as in the present instance, such purchaser is bound to acquaint himself with the powers of such municipality to give such guarantee and to ascertain that all formalities required by law have been observed.

A preliminary condition of the passage of the said by-law a petition for its adoption signed by a majority in number and value of the ratepayers of the municipality was declared by the by-law to have been complied with; the debentures were prepared in accordance with the terms of the by-law and were delivered from time to time by the trustees appointed by the by law or

subsequent resolution of the municipal council, such delivery being made in accordance with the opinion or certificates of those officials whom the council had appointed for that purpose, the last ten per cent. of them upon the certificate of the engineer of the village that the systems were in operation and upon the formal written order of the mayor, and the secretary-treasurer. Declarations in such form by the council and officials of the municipality as to the observance of the formalities upon which their right to bind the municipality depended, and as to the completion of works which it was their duty to inspect and criticize or accept must be held to be binding upon such municipality, especially when the rights of third parties are at stake who have incurred financial obligations in reliance upon such certificate and declarations. The appellants and their solicitors were therefore justified, in my opinion, in accepting said debentures as perfect in form, and in concluding that said municipality had guaranteed and delivered said debentures in strict compliance with its obligations to the said Stadacona Water, Light and Power Company.

There was, however, no declaration that the assent of the Lieutenant-Governor, which the Town Corporations Act makes an absolue prerequisite to the validity of a guarantee such as is here in question, had been obtained. The evidence shows that in fact it had not been obtained. The municipal corporation is therefore not liable, and this appeal and the action against it must be dismissed with costs.

DONATIO MORTIS CAUSA—GIFT OF CHECK DRAWN BY DECEASED—NON-PAYMENT IN HIS LIFETIME—OVERDRAWN ACCOUNT.

IN RE BEAUMONT; BEAUMONT vs. EWBANK (1901, 1 Chy. page 889).

STATEMENT OF FACTS: On February 19, 1901, one Beaumont was very ill, and in expectation of death he called his niece to his room and told her that he must draw a check in favor of Mrs. Ewbank at once. She got his check book and by his directions filled up a check in Mrs. Ewbank's favor for $1,200, and he signed it. She then by his direction handed the check to Mrs. Ewbank, who was in the same room. The court found that Beaumont intended the proceeds of the check to be Mrs. Ewbank's in case of his death. She endorsed the check and handed it to her bankers, who presented it for payment at Beaumont's bank on February 23. B's account was overdrawn and the bank manager refused to cash the check and pointed out that the signature was not like Beaumont's ordinary signature and required some confirmation of the assertion that it was his signature. On February 25, before that confirmation was obtained, Beaumont died. The check was never cashed. The question was raised whether there was a valid *donatio mortis causa.*

JUDGMENT (Buckley, *J.*): A *donatio mortis causa* is a singular form of gift. It may be said to be of an amphibious nature, being a gift which is neither entirely *inter vivos* nor testamentary. It is an act *inter vivos* by which the donee is to have the absolute title to the subject of the gift not at once but if the donor dies. If the donor dies the title becomes absolute not under but as against his executor. In order to make the gift valid it must be made so as to take complete effect on the donor's death. The court must find that the donor intended it to be absolute if he died, but he need not actually say

so. A check in favor of the donor has been held to be a good subject of *donatio mortis causa;* but how does the case stand where the deceased's own check is handed over? A check is not an equitable assignment for any part of the drawer's balance at his bankers, it is only a revocable mandate, and if not presented and paid in the drawer's lifetime it is revoked by his death. Even without actual payment, however, a check may be a good gift; for instance, if there is an undertaking by the banker to the donee to hold the amount of the check for the latter. But the drawer's own check is not property and unless there is something in the nature of such an undertaking there is no valid *donatio mortis causa.*

The court found on the evidence that the Manager's refusal to cash the check was not because Beaumont's account was overdrawn, but because he *bona fide* wanted the signature authenticated. The legal effect was not an equitable assignment, for there were no funds nor was there a binding undertaking by the bank to pay conditioned on the authentication of the signature. "No right had been acquired by the drawee but an expectation only. Even if the Manager did not change his mind, an agreement to lend is not enforceable and no right of property had passed to the drawee."

I hold therefore that in this case there was no valid *donatio mortis causa.* Even if the account had been in credit the drawee would not I think have obtained any right to the property. It might have been different if the drawee had gone to the bank after hours and the Manager had said "The cash is locked up; come to-morrow and I will pay you."

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

A reasonable charge is made for Special Replies asked for by correspondents—to be sent promptly by mail.

PAYMENT OF NOTE AFTER MATURITY.

Editor Bankers' Magazine: PHILADELPHIA, June 7, 1902.

SIR: Will you kindly state in your answers to legal inquiries if a bank is justified in paying and charging up a note of a depositor to his account, if said note is presented after maturity? At a lecture given in the interest of the Philadelphia Chapter, American Institute of Bank Clerks, an attorney stated that a bank ought not to pay a note if presented after maturity. PAYING TELLER.

Answer.—A note drawn payable at a bank should not be paid when presented after maturity. The reason for this is that the authority conferred upon the bank by the maker is to pay only according to the tenor of the instrument, and this requires payment on the day of maturity, and then only.

LIABILITY OF ENDORSERS ON A RAISED CHECK.

Editor Bankers' Magazine: LEADVILLE, Colo., May 26, 1902.

SIR: (1) A's check on B bank was raised from $4.15 to $50.15 by payee C (or by some subsequent holder whose name does not appear) and was taken by D, a merchant, in the course of the day's business; the latter endorsed the check and deposited it to his credit in his bank E, which collected $50.15 from B bank, the drawee, through the day's clearings; on April 15, 1902, the same day, the drawee charged A's account with $50.15, and the check was returned with other vouchers to A on the first of May following.

On May 7, 1902, A returned the check to drawee bank and demanded credit for the differ-

ence between $4.15 and $50.15, and drawee bank made similar demand on E bank, which endorsed it.

As drawee bank has no remedy as against drawer, why should he have against endorser? Please cite Federal decision, or preponderance of weight of opinions of other courts.

(2) Who sustained the loss on a raised draft of the Bank of Woodland, California, on the Crocker-Woolworth National Bank, San Francisco, where the original amount of $12 was changed to $22,000; date of draft December 31, 1897? CASHIER.

Answer.—(1) The theory upon which recovery by the drawee bank is allowed in cases of this character is that the money has been paid under a mistake of fact. (Bank of Commerce vs. Union Bank, 3 N. Y. 230; Reddington vs. Woods, 45 Cal. 406; Rouvant vs. San Antonio Nat. Bank, 63 Tex. 610; Espy vs. Bank of Cincinnati, 18 Wall. 604.) In the leading case of Canal Bank vs. Bank of Albany (1 Hill [N. Y.] 287, 290), it was said: "No doubt the parties were equally innocent in a moral point of view. The conduct of both was *bona fide*, and the negligence, or rather misfortune, of both the same. It was the duty, or more properly a measure of prudence, in each to have inquired into the forgery, which both omitted. But this raises no preference at law or equity in favor of the defendants, but against them. They have obtained the plaintiff's money without consideration; not as a gift, but under a mistake. For the very reason that the parties were equally innocent, the plaintiffs have the right to recover."

(2) If there was any litigation between the banks mentioned in respect to the raised draft, we do not find that the case was ever reported.

Editor Bankers' Magazine: OMAHA, Neb., June 25, 1902.

SIR: A draws a check on the bank in favor of B and afterwards notifies the bank to stop payment on the check. Is the bank liable for damages if they refuse to cash the check when presented by B? Would the bank be liable if the check were presented by an innocent third party to whom B had endorsed it? CASHIER.

Answer.—In Nebraska, it is held that a check drawn on funds in a bank is an appropriation of the amount of the check in favor of the holder thereof, in effect, an assignment of the amount of the check, and the holder, upon refusal of the bank to pay the same, where such funds have not been drawn out before its presentation, may bring an action thereon against the bank in his own name. (Fonner vs. Smith, 31 Neb. 107.) Under this rule, the order of the depositor stopping payment would not afford the bank any protection in a case where the holder, whether the original payee or an indorsee, had a valid title to the instrument.

Editor Bankers' Magazine: BLOOMINGTON, Ind., June 11, 1902.

SIR: T has a note, which is payable to O and T presents the note to K who purchases the same and gives a check for the amount. T endorses the note as O, and check is made payable to O, as K thinks T is in reality O. T presents the check and gets the cash by endorsing as O. The question is, does K shift the responsibility. The check was paid to the party that K thought was O and the bank paid check with the same understanding. The note was forged and O has no interest in it. CASHIER.

Answer.—This is a question about which the authorities are not agreed. In Robertson vs. Coleman (141 Mass. 231) the payee had assumed the name of another, and obtained the check as the price for stolen property sold by the defendants as auctioneers. In an action by a holder against the makers, the Court said: "This was the person intended by the defendants as the payee of the check, designated by the name he was called in the transaction, and his indorsement of it was the indorsement of the payee of the check by

that name. The contract of the defendants was to pay the amount of the check to this person or his order, and he has ordered it paid to the plaintiff." (See also Bank vs. Shotwell, 35 Kan. 360; United States vs. National Exchange Bank, 45 Fed. 163; Land Title and Trust Co. vs. Northwestern Nat. Bank, 46 Atl. Rep. 420; First Nat. Bank vs. American Exchange Nat. Bank, 49 App. Div. 349.) But in the late case of Tolman vs. American Nat. Bank (R. I.) [48 Atl. Rep. 480,] P, representing himself to be H, went to the plaintiff to get a loan of money, giving the residence and occupation of H as his own. The plaintiff made inquiry, and finding that H was employed, and was living as represented, he agreed to make the loan. P, under the name of H, gave his note to the plaintiff, and the plaintiff gave him a check on the defendant payable to the order of H, delivering it to P, supposing him to be H. P indorsed H's name on the back of the check, and gave it to A, who collected it from the bank. The court held that the indorsement conveyed no title, and hence that the bank could not charge the amount to the account of the drawer. The Court said: "The plaintiff's counsel has well said in this case that any decision to the effect that a bank is protected in paying a check to an impostor who has forged the payee's name on the check, upon the ground that it carries out the actual intent of the drawee, is based upon a manifest fallacy. Moreover, of what consequence is the intent of the drawer of the check, when the direction is to pay to the party named? He has the right to assume that the bank will pay to the party as directed. In this case the money was intended for H, because his was the only name suggested. He had been looked up, and found to be responsible. It is a perversion of words to say that it was intended for P simply because he had fraudulently impersonated H, and led the plaintiff to believe that he was H. The plaintiff did not intend to let P have money. His check showed who was to have it, because it was made payable to H. When, therefore, P fraudulently indorsed H's name on the check, it was a typical case of forgery. It was a false signature with intent to deceive."

NOTE FALLING DUE ON SUNDAY.

Editor Bankers' Magazine: PEKIN, Ill., June 10, 1902.

SIR: A note falling due on Sunday in the State of Illinois is payable the following Monday. Is there due from the payor one day's interest when the note does not draw interest until after due? TEIS SMITH & Co.

Answer.—The note does not properly mature until Monday; and hence no interest can be collected if it is paid on that day.

DEATH OF JOINT OBLIGOR.

Editor Bankers' Magazine: NEENAH, Wis., June 14, 1902.

SIR: In looking over your February MAGAZINE, on page 195, it says: "In most States, the death of joint obligor releases his estate (63 N. Y, 205)." We do not understand this; does it mean if two men sign a joint note, the survivor would have to pay the note in full, and the estate of the dead signer escape payment? This does not seem right. We would be much obliged for your explanation. NATIONAL BANK OF NEENAH.

Answer.—The rule at common law was that when two or more persons are bound jointly to pay a sum of money, and one of them dies, his liability terminates, so that the contract cannot be enforced against his representatives (1 Parsons on Contracts, 30); and this rule still prevails in some of the States, though in others it has been changed by statute. But in equity, the

survivor, who pays the obligation is entitled to contribution out of the estate of the deceased obligor, that is to say, he is entitled to recover from such estate the share or proportion of the debt properly chargeable to the decedent; and in this way, the survivor, in the end, pays only his own share.

INSOLVENT DEBTOR—SET-OFF.

Editor Bankers' Magazine: PHILADELPHIA, Pa., June 17, 1902.

SIR: In the following case would you state whether a bank is justified in retaining sufficient funds to take care of note not yet matured? The Jones Mfg. Company has discounted a note of Wm. Smith for $2,100 due March 31. In February, the maker of note dies and his estate is badly insolvent. About March 1, the Jones Mfg. Co. makes an assignment to wind up the company (so stated) and the assignees want to draw the balance in the hands of the bank amounting to about $6,000. The bank refuses to allow the entire balance to be drawn, claiming that $2,100 should remain as an offset against the note, which will not be paid for reason of death and insolvent condition of the estate. The assignees draw the balance and leave $2,100, under protest, stating that fact and that they do not recognize the right of the bank to retain said amount. SUBSCRIBER.

Answer.—It has been held in a number of cases that under the rule of equitable set-off, where a depositor becomes insolvent, the bank may set off against his deposit the amount of notes of his held by the bank, though the same are not yet due. (Kentucky Flour Company's Assignee vs. Merchants' Nat. Bank, 90 Ky. 225; Nashville Trust Co. vs. Fourth National Bank, 91 Tenn. 336.) In the case first cited, it was said: "It is unquestionably the law that, as between individuals, the right of equitable set-off exists although the debt had not matured at the time of the insolvency. Ordinarily, of course, a debt not due cannot be set off against one already due. To allow it would be to change the contract, and advance the time of payment. But where the party asserting the due debt is a non-resident, or becomes insolvent, then either of these conditions, *ipso facto*, gives to the other party the right of equitable set-off. In the application of the rule there should be no difference between an individual and a bank. There is no ground for a distinction. The bank is merely a debtor to its depositor. It is true the debt is payable on demand, but, if the money be not withdrawn, and the depositor becomes insolvent, the right of equitable set-off exists, just as in case of co-existing demands between individuals; and, in case the depositor assigns for the benefit of his creditors, his assignee takes the estate subject to any equities which existed against the assignor at the time of the assignment." We think, therefore, that in the case stated in the inquiry, the bank had the right to retain the $2,100.

MISAPPROPRIATION OF FUNDS BY GUARDIAN—DUTY OF BANK.

Editor Bankers' Magazine: ELMIRA, N. Y., June 2, 1902.

SIR: B deposits money in Bank as "B, guardian for D." D is a minor. B presents check, payable to himself, to teller, and demands payment, which is refused, as the teller claims B has no right to use the funds in his own business. Is the teller right in refusing payment? If so, on what authority can B draw the funds? If the teller knew that the funds were to be invested in some security believed by him to be perfectly safe, would he be authorized to pay out the funds without further authority? INTERESTED.

Answer.—It is no part of the duty of the bank to inquire what disposition the guardian intends to make of the funds, but, in the absence of knowledge to the contrary, must assume that he will make a proper use of them; and the fact that the checks are drawn to the order of himself does not impose upon the bank the duty of inquiring what he means to do with the money, or

justify it in refusing payment. (Duckett vs. Bank, 86 Md. 400; Goodwin vs. Bank, 48 Conn. 551). This subject is fully discussed in the case of Nehawka Bank vs. Ingersoll, reported in THE BANKERS' MAGAZINE for June, 1902, p. 812.

PROTEST OF NOTES AND CHECKS.

Editor Bankers' Magazine: LOS ANGELES, Cal., June 12, 1902.

SIR: On page 855 and 857 of your MAGAZINE for June, 1901, you answer certain questions in reference to "Stopped Checks" and "Protest of Notes and Checks." Will you please let me know whether the same law governs in this State? CASHIER.

Answer.—(1) The questions as to protest of notes and checks arose under the Negotiable Instruments Law; but the provisions of that statute on the points involved are merely declaratory of the commercial law. The same rule is embodied in the Civil Code of California. (Secs. 3141–3151.) (2) While we do not find any decisions of the California courts on the precise question referred to, viz., the right of the drawer of a check to stop payment thereof after the check has been certified, we can conceive of no reason why those courts should hold that a bank may refuse payment of a certified check in the hands of a *bona fide* holder for value.

SECOND PRESENTMENT OF NOTE—PROTEST.

Editor Bankers' Magazine: BURLINGTON, Ky., June 23, 1902.

SIR: An individual draws his check on Bank A, in favor of B. B indorses the check to Bank C, and Bank C sends the check to its correspondent Bank D, indorsed for collection and credit. The drawer has no funds in Bank D. The check is duly and properly presented for payment and payment demanded. Payment is refused by Bank D for the reason that the drawer has no funds to his credit in the bank. The check is then protested, and notice of protest is duly given and received by all the parties, and check and protest returned to and received by Bank C. In about a week Bank C returns the check to Bank D indorsed as before for collection and credit, in fact, with the identical indorsements that were on it when received by Bank D the first time. No notice not to protest it had been or was given Bank D. Now, ought Bank D protest it again, the drawer still having no funds in the bank, or could protest fees be received for the second protest? F. RIDDELL.

Answer.—The liability of the indorsers having been fixed by the first protest and notices of dishonor, no further protest is required upon the second presentment for payment.

PAYMENT OF SAVINGS DEPOSIT.

Editor Bankers' Magazine: KALAMAZOO, Mich., June 4, 1902.

SIR: An unknown woman presented a bank book given by the P Savings Bank to Mary C——, and demanded payment of $150, being only part of the amount on deposit. She did this without the knowledge of Mary C——, to whom she is still unknown, and appropriated the money to her own use. The money was paid to her in good faith by the bank, in a belief that she was in fact the person whom she represented herself to be. The bank had adopted and caused to be printed upon its deposit books, a by-law which provided that deposits and dividends shall be drawn out only by the depositor in person, or by their written order, or by some person legally authorized, and only upon presentation of the depositor's book, that such payment may be entered therein, and all payments to persons who present the deposit book shall be valid payments to discharge the bank and its officers. This by-law was printed upon the cover of the book in question. Is the bank liable to the real depositor for the sum thus wrongfully withdrawn? C. H. H.

Answer.—No. It has been frequently held that a by-law, printed upon a pass book given to a depositor, and accepted by her, becomes part of the contract between her and the bank. Under a true construction of the by-law in question, the payment made by the bank in good faith and in the exercise

of due care, to any person presenting the pass book, operates to discharge the bank, without regard to whether or not such person is entitled to draw the money.

AUTHORITY OF AGENT.

Editor Bankers' Magazine: PITTSBURG, Pa., June 5, 1902.

SIR: Three years ago this bank came into possession of a factory building in a Kansas town. Under our instructions, our agent there procured insurance covering the building against fire, renewing the policy each year. In his annual statement of expenses, made out at the end of each year, he included items for premiums paid, which were in every case to old line insurance companies. Last year, with our knowledge, one of the old line companies declined the risk, and the agent, without applying to other old line companies, made application for, and received a policy in, a mutual company. This company has just passed into the hands of a Receiver, and under an order of the court the Receiver has commenced a suit against this bank for assessments to pay the losses which forced the company into insolvency. Under no circumstances would we have taken out insurance ourselves in a mutual company, or knowingly authorized our agent to do so. Can we escape the assessments?

MANAGER.

Answer.—You are not liable on the assessments. For an agent authorized to take out insurance to do so in a mutual company without express authority is a great step outside of his authority. Under his authority given by you, he was authorized to take out insurance. By taking out insurance in a mutual company he went beyond this, and made you, in a measure, the insurer of others. You are not bound by his action.

RIGHT TO PROCEEDS OF LIFE INSURANCE POLICIES.

Editor Bankers' Magazine: ASBURY PARK, N. J., June 7, 1902.

SIR: At the time when X went out of business he was supposed to be sound, and this bank held his note for $3,000. He was in fact insolvent, though honest. He has renewed this note from time to time for several years, and just before his death executed a new note in renewal, and the old note was returned to him marked "paid." The wife of X had some money, and on her paying up some of his indebtedness he entered into an agreement with her by which he took out a policy of insurance upon his life in her favor. Until he died he paid the premiums out of his own earnings. He paid no premiums after executing the last note to us. Are we not entitled to enough of the proceeds of the insurance policy to pay our note, on the ground that he paid premiums while insolvent? Or, can the wife claim that the new note was a new indebtedness, the old note being marked "paid," and consequently no premiums were paid after its execution?

CASHIER.

Answer.—As to the new note being the beginning of a new indebtedness, you need feel no uneasiness. There are plenty of authorities holding that under such circumstances the old debt is not discharged and a new one created in the absence of an express agreement to that effect. The weak point in your claim is that the agreement between X and his wife was perfectly valid, and unless he paid out more money on premiums than she advanced in payment of his indebtedness, she is entitled to the entire proceeds of the policy. If it should turn out that he paid more money in keeping up the premiums than she advanced, she would still be entitled to her proportionate share of the proceeds of the policy.

FORGED INDORSEMENT.

Editor Bankers' Magazine: ST. LOUIS, MO., June 7, 1902.

SIR: Dr. B was the owner of premises in this city which he wished to sell. A man who gave his name as Ashley called upon Dr. B, and, under the pretense of desiring to purchase the property, got possession of the title papers, and took them to a responsible conveyancer, to whom he applied for a loan of $5,000, to be secured by a mortgage on the property. The conveyancer, believing the man to be Dr. B and the owner of the premises, negotiated the

loan. The mortgagee, desiring title insurance by the trust company, deposited with said company the amount of the loan, to be paid to the mortgagor when a valid mortgage should be executed. When the matter was ready for settlement, Ashley went with his conveyancer to the office of the company, and was there introduced to the settlement clerk as Dr. B. He signed the mortgage with Dr. B's full name, acknowledged it before a notary connected with the company, and received from the clerk the company's check, drawn on itself to the order of Dr. B. This check, indorsed with Dr. B's name, was deposited in the N bank by a person who had opened an account with it as G. B. Rogers, and was collected by the bank of the trust company in the usual course of business. Whether Ashley and Rogers were the same person, or different persons who had conspired to defraud the trust company, and had opened an account with the bank as a means to that end, or whether Rogers was a person who was innocent in the matter, is not known. Dr. B had no knowledge of the mortgage until called upon six months later for the interest. All of the parties to the transaction, except Ashley, and possibly Rogers, if he is a different person, acted in good faith, and in that reliance on the good faith of others which is usual in such matters. On discovering the fraud which had been practiced upon it, the trust company notified the bank, and demanded the return of the money paid on the check. Can it recover same? NOTARY.

Answer.—We think not. Both the check and money were given to the person intended. The trust company has no claim against the bank.

EXECUTORS AND ADMINISTRATORS.

Editor Bankers' Magazine: HAMMOND, Ind., June 9, 1902.

SIR: D, as administrator of W, deposited checks payable to him, as administrator. In making the deposit he indorsed them in his capacity as administrator. Afterwards the amount was checked out by him and appropriated. D was removed as administrator and Y appointed administrator, *de bonis non*, threatened suit against the bank for the amount of the funds misappropriated. Will such an action lie? TRUSTEE.

Answer.—No. Upon the checks which were received by the administrator, he had the undoubted right to draw the money; and, if he chose to thereupon deposit the money thus received to the credit of his own account, he had a perfect right to do so. What he did was nothing more than the equivalent of such action on his part. The money, having gone into his own account, was subject to be drawn out upon his personal checks, which the bank could not refuse to pay. The question is entirely different from the one which would arise if, after the deposit was made, it was claimed as money of the trust, and the bank was notified of the claim before it was paid; but that is not the case.

PAYMENT OF FORGED CHECK.

Editor Bankers' Magazine: CAIRO, Ill., June 10, 1902.

SIR: A delivered to the M bank a sum of money, to be paid to B. The M bank gave to C for B, their check on the E bank, in which they were depositors, for the amount, payable to the order of B. C forged B's name on the back of the check, and thus obtained the money from the E bank. Is the E bank, in a settlement with the M bank, entitled to charge the check against the M bank on showing that A had, by actions in the nature of estoppel, lost his right of action against the M bank for the money which he had delivered to it?

TELLER.

Answer.—No. The implied contract on the part of a bank with its depositor is that it will disburse the money standing to his credit only on his order, and in conformity with his directions; and therefore if it makes a payment on a check to which his name has been forged, or upon his genuine check to which the name of a necessary indorser has been forged, it must be held to have paid out of its own funds, and cannot charge the amount against the depositor, unless it shows a right to do so on the doctrine of estoppel, or because of some negligence chargeable to the depositor. The return, to a depositor, of his check with a forged indorsement, together with his balanced

pass book, casts on him only the duty of exercising reasonable care and diligence to examine the vouchers and the account as stated by the bank, and to inform the bank of any errors thus discoverable.

ULTRA VIRES ACTS OF CORPORATION.

Editor Bankers' Magazine: HARTFORD, Conn., June 11, 1902.

SIR: Officers of a corporation, organized for the purpose of publishing and general book making, negotiated a loan with a bank and executed a note therefor, signed by them for the corporation, and also individually in their official capacity, for the purpose of raising money to invest in a real estate venture. The object of raising the money was well known to the bank, and part of its officers were interested in the real estate deal. Can the corporation be held liable on this note? DIRECTOR.

Answer.—No. The act of the officers was *ultra vires* as to the corporation, and as the bank had knowledge of this fact it can only look to the officers individually for payment of the loan.

LIEN OF CORPORATION ON STOCK.

Editor Bankers' Magazine: CLINTON, Iowa, June 13, 1902.

SIR: A local corporation has a by-law providing for a stockholder's pledge of his stock to the corporation. The by-law also provides for a lien on stock for the payment of a debt to the corporation. A stockholder pledged his stock with the corporation with notice of said by-law, and the debt not being paid, the corporation canceled the stock and applied the proceeds in payment of the debt, as the by-law provided, on demand of payment after the debt was due. Has the stockholder any remedy, that is, can he compel a re-issuance of the stock in his name on payment of part of the debt, or the interest accrued? STOCKHOLDER.

Answer.—No. The by-law is valid. He has no remedy.

CHATTEL MORTGAGE—FIXTURES.

Editor Bankers' Magazine: IOLA, Kan., June 14, 1902.

SIR: The owner of a mill, subject to a mortgage, and mill machinery, subject to a chattel mortgage, contracted for certain alterations and additions to such machinery; payment to be made half cash on delivery, and the remainder in notes at three months. The changes were made, but only part of the contract price paid, although repeated efforts were made to collect the balance. The vendor finally accepted a chattel mortgage for the remainder of the debt. As security for the purchase money, did not this mortgage take precedence of the preceding mortgage? There is no question but that the additions added materially to the value of both the real estate and the property the chattel mortgage secured. MORTGAGEE.

Answer.—No. The lien of the mortgage for the purchase price is paramount to that of the original mortgages, except as to such change of an original machine as constituted a part of a perfect machine, if any such additions were made.

SURETYSHIP—LIMITATIONS.

Editor Bankers' Magazine: ST. JOSEPH, Mich., June 19, 1902.

SIR: Where a note is indorsed, "for value received, I hereby guarantee the payment of the within note until paid," do not the words "until paid" continue the obligation as to the surety, even though the debt becomes barred by the statute of limitations as to the principal? PAYEE.

Answer.—No. "Until paid" is surplusage. The debt is barred as to both.

*THE PRACTICAL WORK OF A BANK.

BOOKKEEPING FOR CITY AND COUNTRY BANKS.

V.

BOOKKEEPING FOR COUNTRY BANKS.

Except for some possible further elucidation of its phenomena, there would seem little, if anything, new to be written about the compass; within the sphere of its especial use, it is indispensable; yet at this time a work on navigation that dwelt at length upon a description of the compass and its use would be tedious reading, and of little, if any, benefit to a navigator.

Stock registers, stock ledgers, journals, general ledgers, draft, remittance and collection registers, however important as forming a part of the necessary records of a bank, are all so well understood by bankers generally that no further mention of them will here be made, except in those details where a difference of opinion and practice may exist.

HARM DONE THE BANK BY IMPERFECT ACCOUNTING.

"The greatest strain comes to the center of the tree and not upon its outer branches." In country banks, not only are the greatest care and labor expended upon the individual ledger and discount register, but their proper handling wields a wider influence for the welfare of the bank than does that of any other record kept. They form the center where comes the greatest strain, while all other records, from a clerical standpoint, form the outer branches.

A customer brings back an unsigned draft, and, if judged by his good-humored chaffing, seems to enjoy the fact that an oversight has occurred. If the draft was intended for discounting a bill of merchandise or for the payment of an overdue bill, the jobber recognizes his good intent and holds him blameless for his banker's oversight. Or if an error occurs in the making of, or remitting for, a collection, in almost every case it is easily corrected, and if not of too frequent occurrence, militates but little, if any, against the interests of the bank. But what is the effect if a customer inquires his balance, and upon receipt of the figures returns with his pass book and informs you that you are wrong, and upon comparison of the pass book with the ledger account you find that upon a particular date he should have been credited with a deposit which has been posted in error to some other account; or, more important, he has made a deposit at some time, and not having his pass book has taken a deposit slip for the credit. You have misposted this particular credit and have balanced and delivered his pass book, and he challenges the balance rendered him, but has mislaid or lost the deposit ticket you gave him, and is unable to refresh your memory as to this deposit or furnish you anything to convince you that he may not be in error himself. Until this error is found and satisfactorily adjusted with him, there is a strong chance of your losing this customer. And again, when at last you find to what account this item has been posted in error, it may be found that you have settled with this customer, and that he has at present no funds to his

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* A series of articles to be published in competition for prizes aggregating $1,050, offered by THE BANKERS' MAGAZINE. Publication of these articles was begun in the July, 1901, number, page 18.

credit with you. Now, if he is a careless man (there are many such) and the amount is nominal, one hundred dollars or less, he has probably never noticed it at the time, and it will now be difficult to convince him that an error has been made with him.

No matter how you adjust this, with these customers, its occurrence has at least done the bank no good, and perhaps it has done it considerable harm.

Now, as to the discounts. If upon receiving a credit upon a note, after having first made out your discount slip, which is proper, a chance remark or other circumstance attracting your attention, you fail to credit the note, and sometime thereafter, and before you have reconciled the balance, as shown on the discount register, by footing the notes, noted the error and corrected it, he again calls and pays the balance. It is larger than he expected, but he has other notes at other places. He may be mistaken; he will at least take time to refresh his memory before calling your attention to the error; or should he call your attention to it at the time and claim you are in error, and you examine the discount slips for the month, and find he is correct, you don't know what construction he places upon your failure to credit his note, and by your omission you have at least laid the foundation for troublesome and embarrassing argument with him, should he err in the future in claiming a payment that has really never been made.

These cases are offered for the purpose of showing the possible, and often very probable, bad impression they make on the bank's customers, wherever either careless or inefficient methods are employed in the handling of the records of these two branches of the business; and whatever checking up of records has to be made, to locate and correct errors, brought to notice by the customers, how very little it is, compared with that employed in locating and correcting errors of which the customer has never been aware.

Now, this class of errors can and does occur with varying frequency in country banks, except where great care, or better still, great care and the adoption of methods forming a strong check against error, prevail. But when the customers, month after month, and finally year after year, find their transactions with the bank are always correct, its influence upon them is such that an intangible agent, without hire, is constantly at work in all directions for the upbuilding of the business of the bank.

No system can at all times be free from error. In some systems, however, an error is more speedily detected, the amount of the true error determined, the identity of the item and the transaction in which the error occurred, more positively determined than in others.

Simplicity is a factor tending to accuracy, yet its value should not be overestimated, and any method that seeks for accuracy through reduction of labor alone, is not desirable. For with such a system, should an error occur in the course of a year's business, when at last it is found to exist, to locate it may require more checking up of entries than to have employed a system requiring more detail as a guard against error.

The Individual Ledger.

An individual ledger, wholly impracticable for city banks, is found desirable for country banks. To be able to keep a ledger record of each separate deposit, showing by whom made as well as the names of the payees of all checks paid, is not only a great satisfaction to the banker, as forming a court of last resort, if from any cause an error has crept into the ledger and is not discovered until the entries for a considerable period have to be checked up, but also in that it furnishes the ammunition for at once silencing any doubt expressed by a customer as to the accuracy of a balance rendered him. This form of record is also highly esteemed by the customer, and forms a good argument for such customers as are inclined to think the bank derives all the benefit from their patronage.

Whatever the merits or demerits of the individual ledger here described, in order that its best use may be understood by all, the system employed in handling the checks and deposit tickets, prior to their reaching the ledger, also their management after posting and up to the delivery of the checks back to the customer upon balancing his pass book, must be taken into consideration.

In country banks the gateway to the ledger is generally through but one book, known under many aliases, check and deposit scratcher, check and deposit tickler, deposit balance, etc. Balance due depositors sounds best, although it does not express the exact truth should an overdraft occur. The introduction of labor-saving devices has had much to do with changing methods, and with the introduction of the registering accountant (adding machine) this book can be, and ultimately will be, eliminated from country banks as an unnecessary record. Until eliminated, however, it must be taken into consideration, and the form best suited to the following system is shown by Fig. 1.

In using this form of book, the four columns at the left are used for entering the checks, while the two columns at the right are for the deposits and yesterday and to-day's balances. In posting direct to the ledger from the checks and deposit tickets, as is here recommended, it is necessary that they first be arranged alphabetically, and for this ledger they should also be arranged with reference to the three first letters of the surnames of the customer. It is also desirable in most cases, but not strictly necessary, that they be so arranged before they are entered on the form shown in Fig. 1.

Some will prefer to enter them here from time to time during the day, without regard to alphabetical order, that the totals may be extended and the balance due depositors be taken immediately after the close of business hours, and the checks and deposit tickets arranged thereafter for posting to the ledger, as before described. In special cases this is the better practice, but for most country banks it is best to leave off recording checks and deposits until a quarter to half-past three o'clock, the number of them at hand to regulate the hour. Then begin first by arranging them in the order necessary for easy and accurate posting as before described, before entering them upon the form shown in Fig. 1.

The ledger shown by Fig. 2, commonly known as the Kirtly Ledger ("patent applied for"), possesses all the good qualities of the three-column ledger so generally used, and in addition dispenses with the necessity of using an index when posting. Post direct from the checks and deposit tickets to the ledger accounts, recording the name of the payees of the checks charged, as well as the name, or the nature of all deposits not made by the customer whose name heads the account, and when all items are posted to an account bring down new balance (credit balances in black, debtor balances in red ink) in the balance column directly opposite and on line with the last entry. Have a sheet of paper properly ruled, and keep memorandum of balances, before and after posting, of all the accounts that have changed to-day, so that when the posting is completed its accuracy can be proven, and if an error has been made, you are simply face to face with the transactions of one day, in which it has occurred, and can speedily locate and correct it. Make it a rule to take these before and after posting balances from the ledger, and not from the result of a computation made to arrive at the balance of an account; for by the latter practice you may place the correct balance on the proof sheet and err in setting in the balance on the ledger, then your balance might be found correct by the proof, and the ledger still be out of balance.

It is not deemed necessary to here take space to describe this method of proving a day's posting, as it seems to be more generally understood than practiced. However, there are different methods of making this proof, and some are better suited to certain banks than are others.

140 Fig. No. 1 April 26th 1902

11	5	275	5720	123456	24379645	Balance
23	5	325	5230	65607		
4044	15	436	6343	403023	3476	
56225	125	687	7869	200	6784	
23896	337	925	5247	350	321	
22453	526	1124	4211	540	213	
12022	1925	800	8	100	1222	
3201	200	100	1	125		
40	375	200	3	1150		
20	75	300	5	80		
1	4522	1628	8216	90		
250	1628	4322	2254	50		
124677	3	75	75	25		
43127	2	32500	523	325		
67829	1	200	700	800		
33344	8	1425	5219	1000		
55522	1124	526	6250	500		
101405	925	327	7330	420		
22466	687	125		100		
3110	436	1500	686	100	1187586	
1550	325					
6735	225		82035			
2126						
300			619630			
	Bal Ford		24742565			
			25579247		25579247	

Fig. No. 1 April 27th 1902 141

				Balance Ford	24742565

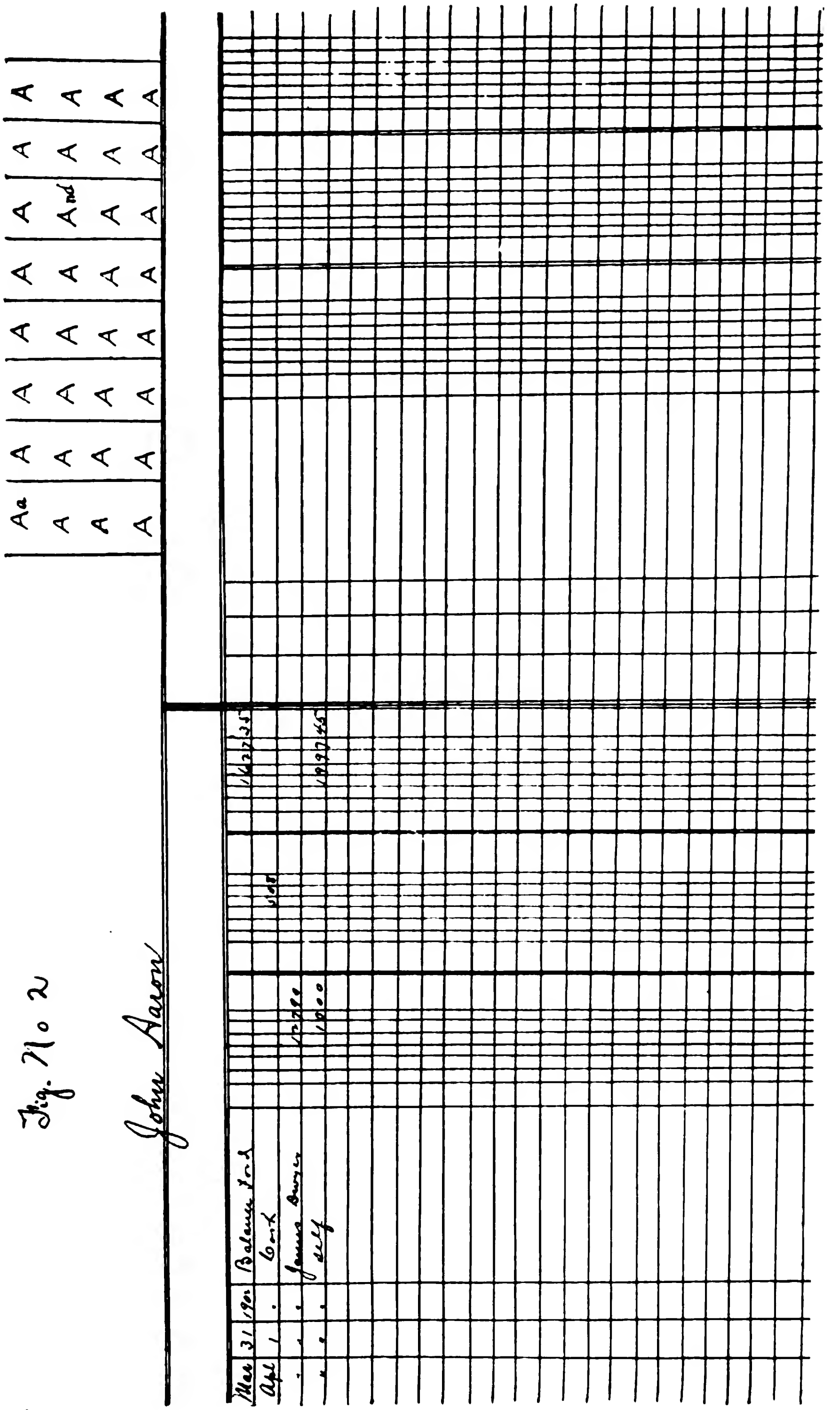
Fig. No 2
John Aaron
Aa
And
Mar 31 1901 Balance Ford
Apl 1 Cash
James Burger
self

Checks and Deposit Tickets.

The posting of the individual ledger being completed, the checks and deposit tickets must be taken care of. I find it not only convenient, but necessary, to make use of two cabinets, having twenty-six compartments, each properly lettered, and supplied with movable partitions, in order that all matter filed under a certain letter occupies just such space as is necessary and no more. One cabinet is used for active, the other for inactive accounts, and for those customers who are derelict in bringing in their pass books for balancing. The checks and deposit tickets of a customer should be placed in a receptacle containing items affecting his account only, and his name should be plainly written or stamped thereon.

Probably it is best to use a folder made as follows. Cut a sheet of tough, heavy paper, of a size that when folded it will be slightly wider than a deposit ticket, and somewhat longer than the checks and deposit tickets used. Have a piece of stiff cardboard cut of the same length but a trifle wider than the folder. Fold the paper lengthwise, insert this cardboard and encircle the whole with a light rubber band. For use remove the rubber band and insert the checks and deposit tickets of the customer, placing the face of those of to-day to the back of those found in the folder, replace the rubber band, and file the package under the proper letter in the cabinet, and with regard to whether it is an active or inactive account.

The Customer's Pass Book.

When a customer's pass book is balanced enter the date of reconcilement before, and a check mark after, the balance on the ledger account in red ink ; file the deposit tickets and return the folder case to the cabinet under proper letter for future use.

Among country banks there exist at least three methods of keeping a customer's pass book ; but the system practiced by all advanced banks is the only method to be commended. The checks listed, either by machine or pen, are attached by eyelet machine or otherwise and their total written under the total of the credits on pass book, and marked checks returned. A line is drawn below, and a short one on extreme left of the page; subtract the total of the checks from the total of the credits; this gives the balance, which is dated and written below. This saves fully seventy-five per cent. in cost of pass books alone over other methods and a greater percentage in economy of labor.

Description of the Self-Indexing Ledger.

A short description of the self indexing ledger, shown in Fig. 2, is perhaps necessary for some who may not be familiar with it.

A certain number of leaves are devoted to each letter, the first of which is supplied at its outer edge with a leather tab strongly attached, bearing the letter for this division. The names grouped under the letter A are here given ; take hold of the tab A and turn back the leaf, and it will at once be seen, by looking at the top of the book, that all names beginning with A are here arranged according to the first three letters of the surname ; the tops of the leaves have been cut away by the manufacturer of the book, just as the lines of letters here appear. Suppose John Aaron's account is before you when you lift the first leaf as before described, but you want the name Anderson instead. The leaves are now turned from the top for all names beginning with A. It will be seen at once where you should turn to find Anderson, and the particular Anderson wanted is as easily found. As this book is now being printed by stationers and thousands of them in use, it is not deemed necessary to give more than this general idea of the book.

The Discount Register.

For a discount register I prefer one of the form shown by Fig. 3. The number of each note appears prominently as first entry at the left of the page, and the usual

36 Fig. No 3

Discount

No.	Discounted	Makers	Endorsers	Date	Rate	Time	Due
4791	4 26 1902	Wm Rhodes James Adair Benton Jones	James H Rankin	3 25 1902	8 mo	120	6-23-1902
4792	" " "	Adam Barnes	Geo. W Skinner	2 15 1902	8 date	180	8-12-1902
4793	" " "	Boston Campbell F. L. Smith Lee Campbell		4 22 1902	8 mo	60	6-21-1902
4794	" " "	W. B. Planck Fred. K. Cuddy S. B. Stockwell		" 26 "	"	30	5-26-1902
4795	" " "	James B. Rhodes R. A. Kowen		" " "	"	90	7-25-1902

Left Page

36

Fig No 3 (Continued). Register

Due	Where Payable	Amount of Note		No	Amount Paid		Balance	Discount		Paid	Renewal No
				4516	2500 00		180289 43			4-26-0[illegible]	
		2000 00		4218	1250 00			5332			4793
				4510	250 00	4000 00				4-26-0[illegible]	
		250 00									
		1250 00						1667			
		1000 00						667			
		500 00	50 00				1812589 43	1000	8668		

Right Page

columns for names, endorsers, dates, maturity, etc., are the same or very similar to that of most discount registers, the book differing mainly in that here, it will be seen. two columns each are devoted to the amount of notes discounted, notes paid or credited, and amount of discount. This arrangement contemplates that during the day, as time permits, each note as discounted and the amount of discount shall be entered, and the note, bearing its proper number, be placed in the note case under the proper letter; also that all payments be entered by number under pay columns; the date of payment entered in proper column, or if paid by renewal, the renewal number be written in its column. At the close of business extend the total of notes discounted into second line; treat the payments and amount of discount the same. If the totals of notes discounted exceed the total of payments, add the difference to the former balance shown; or if payments exceed, subtract, and bring it down opposite the last entry; then post the total of discounts to the interest account in the general ledger. If handled in this way, this book will be closed in ten minutes or less time after the door is closed to the public, at the expiration of office hours; or if not convenient to have made these entries during the day, all can be deferred for entry until the close of business. This book, when understood and properly kept, forms the means of speedily locating and positively identifying any error that may occur in the discounts.

For starting from a given point, it is simply a list of just such notes, and their condition if any credits exist, as you should have on hand and so prominently exhibited that comparison with the notes is speedily accomplished.

Provide for this in advance as follows: When a note is paid or credited, after entering the payment on the register, and before filing the discount slip, turn back to the orginal entry, and if a payment in full, enter a strong √ check mark to the left of the number, but if only a credit, enter the amount in lead pencil in the space above the number; or if the payment is the balance due, former credits having been made, add the credits here found to the balance, and if the sum discharges the note enter √ mark as before.

If at any time the total of the notes on hand disagrees with the amount of bills receivable shown by the discount register, to locate the error proceed as follows: Turn back to the first unchecked number, as shown by the last reconcilement, and if it has since been checked off, examine the entries from this point forward until you come to the first unchecked number; take this note from the case and compare it with the exhibit of condition here shown by the register; if a credit appears on this note, and no corresponding memorandum has been made, you have probably failed to make the memorandum, yet it will now be necessary to examine the discount credit slips, since last reconcilement, and if you find a slip with name, date, number and amount corresponding with the credit shown on the back of the note, enter this amount here, and proceed as before. It is very probable you have made a memorandum of this credit over the number of some other note, and if so, while it will not affect the error you are searching for, when you come to this improper entry, erase it. We will suppose the notes are short $150 and you come to the unchecked number of John Smith's note for a like amount; you remember at once that John Smith is dead, and the note has been filed with the surrogate. You hastily run over all the notes under the letter S, and find that you failed to file a duplicate, when you withdrew this note, to probate it against the estate of Smith, and whether this is the nature of the error you have started in to find or not, by proceeding in this manner you will find speedily all existing errors, which are the result of mislaid notes, failures to credit on the register, etc.

This book, when properly handled, might be said to be almost a self-auditing discount register.

DRAFT, COLLECTION AND REMITTANCE REGISTERS.

Draft, collection and exchange or remittance registers, as now made by all good stationers, could scarcely be improved upon. The same books, however, will frequently be handled differently in some respects by different banks. My method is this: on receipt of a collection, mail a card to the customer in the following form:

"Yours of ——— inst. received with inclosure as stated. Detailed receipt will be forwarded as soon as the items are numbered and entered on our collection register."

Stamp each item with a small collection stamp, bearing the name of the bank, and write in the number as it appears on your collection register; then make out receipt, but instead of a literal description let the items be described in this manner: Your No. ———, our No. ———, amount $———. Either stamp on this receipt, or if a stock form is used have a strong notice in different ink: "Give our number when corresponding about a collection." The object sought is plain; on receipt of an inquiry giving your number you turn to it at once on your register, while if the inquiry merely gives the customer's number, together with the name of the payee and amount (which will always be the case unless better instructed), it will generally require five times the effort to answer the inquiry than when your number is given.

On remitting for a collection, enter your collection number on the draft register, and in marking the disposition of the collection on the collection register enter the date and number of the draft and the name of the correspondent drawn on. When returning an unpaid collection date the return in red ink; this enables you to easily keep tab on where your most profitable collections come from.

Whether a carbon copy or other form of remittance register is used, there should usually be two kept—one used exclusively for cash items mailed direct to the bank's regular correspondents and the other for cash items collected direct.

As the old instruction that "the general ledger should contain a complete exhibit of the condition of the business" is no longer practicable for country banks, no further mention of this book need be made, except to mention that nothing should here be entered direct from the item; and, except amount of discount from the discount register, all other entries should come from the journal.

Of active accounts we enter expenses incurred, making the entries in full; the directors can, with less trouble to you and with greater satisfaction to themselves, check up expenses.

However desirable it is to avoid past-due paper, some notes will become over due and when collected this interest should be journalized.

As no tickler is here contemplated in this system, we must go somewhere to speedily determine the amount due from banks. It is here contemplated that the balance due from banks be carried on the journal. Items affecting the record of each correspondent are properly entered under this, and the balance for to day taken, which is brought down, and treated to-morrow as it has been to-day.

As before stated, this system does not contemplate that a tickler be kept, from which the cash book is made up, as is practiced by some banks. Neither is it contemplated that a cash book of a form generally kept by the majority of country banks be used. Instead thereof use the teller's cash book, shown in Fig. 4. This book is copyrighted and should be obtained from licensed stationers. The form here shown is not a literal copy, but it embodies the essential features of the combination protected, omitting some of the details, and is amenable to the copyright. The exhibit here made explains the book, and no further mention of it need be made, except to call attention to the fact that this book forms the daily settlement, and if the work on the other records has gone forward properly, and they are ready to

Fig. No. 4 April 26th 1902

Dr	Cr				
Debits & Credits items in drawer					
		Currency in Vault	750000	35000	Capital
25	3 14	" " Drawer	748	15000	Surplus
	602 84	Gold in Vault	6500	2474256 5	Deposits
	1	" Tray	420	608497	Gross Earnings
	3 83	Silver in Vault	1020		
	610 81	" Tray	5792	30151062	
	75				
	610 06				
				8658993	Due from Banks
				18128943	Bills Receivable
		Drafts & other cash items	61006	142028	Expenses
				5350	Real Est & Fixtures
				10000	U.S. Bonds
				1686098	Cash
				30151062	
Special Memorandums					
		Footings	1686098		

close up the balances in all accounts, by merely writing in the balance, then this book can be made up, the cash requirement determined and the cash and cash items counted, listed and proved in from fifteen to thirty minutes after the close of business hours. And with this important factor, everything that has been entered on this book has been brought from the already closed and proved permanent record of the bank, except that of the individual ledger accounts, which when posted at night or next day and the accuracy of the posting proved, verifies the accuracy of the balance due depositors as shown here in to-day's settlement. Without the ideas herewith presented be closely followed the impression may be formed that there is much more detail in this system than really exists, and practical experience would soon dispel such impression. I have found this system for a country bank the freest from errors. Also during the course of a year no more labor will be performed, when it is used, than with that of any system where accuracy exists. And with much less labor than with some of the several distinct systems in use with which the writer has had practical experience.

Not strictly relevant to the subject, but perhaps permissible, permit me to call attention to the fact that the business methods employed have much to do with securing the best results from any system, and a few suggestions along this line will be offered.

Never open a ledger account with those whose business with the bank consists of

collections only, as some banks do. On making a collection stamp the day of payment on the advice ticket or letter, and remit on day of payment. Or if from any cause remittance is delayed to next day, use a debit to cash in to-day's settlement. If a collection is received by a bank against a well-known, responsible firm, who are known to be always prompt in meeting their obligations, and from some cause unknown to you it is neglected by them for several days, when paid stamp the day of payment as before stated, but remit next day, so that your customer may see by the difference in the date of payment, and that of the draft remitted, that the delay in payment has been theirs, and not that you have been slow in remitting. They may get this idea from the fact that some banks in using the customer's inclosure as the advice of payment accompanying the draft remitted. Stamp the date of remitting, although the collection may have been made three or four days before.

Never open a check and deposit account with a customer whose accidental overdraft would cause you apprehension of probable loss. Accommodate all others with Cashier's checks, or negotiable certificates, the former preferred, for fully one-fourth to one-half issued will be presented for redemption by other banks or business firms, and in such cases you take no risk as to the forging of the payee's name with Cashier's checks, while with certificates you do. Never make credit payments on either of these; take up and cancel the old and issue a new one for the balance.

Insist that a deposit ticket be made up so that at least each cash item is listed, for some day you may have to check up cash items, to ascertain from whom you have obtained, and what disposition made (whether cash or deposited) of all such items coming to your hands, whether checks on you or otherwise, before your daily cash requirement can be reconciled.

These are only a few of the many suggestions that could be made. Study the methods you employ at the counter; they have much to do with the accuracy and simplicity of the bookkeeping. BEHIND THE GUNS.

DEATH OF MR. LIDDERDALE.—A despatch from London on June 26 announced the death of William Lidderdale. He was a director and ex-Governor of the Bank of England, and took a prominent part in effecting arrangements to avert a crisis in the money market at the time of the failure of the Barings.

The Right Hon. William Lidderdale was described by the papers in 1890 as the "Hero of the Baring Crisis." He was a Scot by descent. When a young man he entered the employ of Rathbone Bros., Liverpool, merchants, and for some years he represented that firm in New York. In 1864 he became a partner in the firm and took charge of the London office.

In 1870 Mr. Lidderdale became a director of the Bank of England. He held the post of Governor of that great institution from 1889 to 1892. For the masterly way in which he dealt with the crisis caused by the Baring smash in 1890 he was made a Privy Councillor, and the freedom of the City of London, in a gold casket, was conferred upon him.

Mr. Lidderdale was seventy years old.

COUNTERFEIT $5 NATIONAL BANK NOTE.—New photographic $5 National bank counterfeit on the National State Bank of Troy, N. Y.; portrait of Garfield; Bruce, Register of the Treasury; Wyman, Treasurer; check letter, A; charter number, 991; serial bank number, 7244; serial Treasury number, B483714. This is a very poor counterfeit, printed on ordinary glazed photographic paper, and no attempt has been made to color the seal, numbers, or the panel in the back of the note.

INDIVIDUAL LIABILITY OF THE OFFICERS OF A BANK.

It has been previously mentioned in what class or classes of cases the bank will be held responsible for the misconduct or other acts of its officers, and now we come to that class of cases where it is sought to hold the bank's officers individually responsible to depositors and creditors of the bank for loss sustained by them through the failure, mismanagement or fraud of the bank itself.

The general rule is that the officers and directors of a bank must exercise ordinary care and prudence in the administration of the bank's affairs. They are entitled to commit the banking business, the ordinary routine, clerical and detailed work, to their clerks and bookkeepers and to authorize the proper officers to perform certain duties, but this does not absolve them from the duty of reasonable supervision, nor should they be permitted to be cleared from liability because of their not having knowledge of the wrong doing, if that ignorance is the result of gross inattention. If the directors of a bank neglect their duties, under the law, to pass upon certain transactions coming through the bank, to endorse papers and to use their best judgment, care and diligence in the management of the bank's affairs, they can be said to be responsible for any loss which a depositor sustains through their negligence.

Where a Cashier of a bank is permitted to conduct its affairs as he sees fit; where his reports and statements are taken for granted without further investigation by the officers, as in accordance with their duty, and if loss results through their failure to so investigate, then they may be said to be individually responsible for such loss.

A case upon this subject was decided by the United States Court of Appeals not long ago and was entitled, John W. Warner, Receiver of the First National Bank of Watkins, New York vs. William J. Penoyer, *et al.* The facts concerning the management of the bank's affairs are probably the same as in scores of other small banks throughout the country. It had a capital of $50,000 and was located in a village of 3,000 population and carried a line of deposits and discounts approximating $200,000. It was a well conducted concern for a number of years until shortly before it became insolvent when, owing to the mismanagement, frauds and criminal acts of its Cashier, its assets were depleted to the extent of about $140,000. The bank finally failed and went into the hands of a Receiver. The Receiver began suit against the directors of the bank, alleging that the losses of the bank were attributable to their disregard of their duties, and he charged them with the amount of the defalcations. The case was tried in the lower court and the directors were absolved from any liability. The Receiver then appealed the case.

It appeared from the facts that the Cashier was a small stockholder and was in good repute, financially and morally. None of the directors were bankers or men of much business experience, and so the duties of the management and control of the bank devolved almost entirely upon the Cashier. The President of the bank, who was made one of the defendants in the case, was a farmer, residing two or three miles from the village where the bank was situated and was one of the largest stockholders. He visited the bank frequently and advised the Cashier about discounts, and when the Cashier was absent signed drafts and authorized small transactions. He was not familiar with bookkeeping and never looked at the books of the bank. He occasionally looked at the deposit books kept in a leather case. He never investigated the assets in the safe but relied entirely upon the weekly statements prepared.

by the bookkeeper and the Cashier, and these he examined every Tuesday morning. The directors had an examining committee, and this committee met only at the semi-annual meeting of the board of directors. At these meetings the Cashier would bring in a list of the outstanding discounted notes and some of the members of the examining or discounting committee would look the notes over and compare them with the Cashier's list. The discount committee was composed of two directors and the President, but only one of the directors ever acted on any of the notes presented for discount. In a word, the President and directors of the bank all deferred to the better judgment and banking experience of the Cashier, and the whole management of the bank was left to him as the one who was considered the best qualified to act.

The Cashier discounted notes for an irresponsible company, in which he was interested, to the amount of $72,000 and permitted them to overdraw their account to the amount of $24,000. He commited other acts of fraud and misconduct, and wrecked the bank.

The question which came up before the court was whether the board of directors had been so negligent in their duties as to render themselves liable for the loss sustained by the depositors. The facts concerning the management of the bank have been stated so fully in this article that the reader may have an opportunity of judging just to what extent the court will hold an officer negligent. The court held that the cause of the losses was the negligence of those who were appointed to keep watch of the discounts, namely, the discount committee. The other directors had no reason to suppose that the discounting and examining committees were neglecting their duties, therefore they can not be said to be responsible for the loss which was due to the neglect of the committee. A director who has failed to act is not responsible for the shortcomings of the Cashier, unless it appears that his omission had some relation with the losses. The judge, therefore, although with great reluctance, rendered a judgment against the members of the examining and discounting committees and the President of the bank for the amount of the losses sustained, thereby reversing the decision of the court below, and these individual members had to make good the losses occasioned to the depositors.

In connection with this subject I might mention another case with which perhaps many readers of this article are already familiar and still remember. At the time of the great failure of the Penn Bank of Pittsburg many will recollect the shock which it caused to the people of that city and the excitment which it brought about. As is usual under such circumstances, public opinion generally turns against the officers and directors of the failing institution and the condemnation of them is as severe as it is often unreasonable. Growing out of that failure came the case of Swentzel vs. the Penn Bank, *et al.*, in which certain creditors of the bank sought to hold the board of directors and officers responsible for the losses which had occured to them. In that case, as in the case above mentioned, the entire control and management of the bank and its affairs was entrusted to its President, Riddle, who had absolute control of the Cashier and subordinate officers who followed his instructtions implicitly and in a measure joined with him in his defalcations. The officers of the bank were continually deceived by the statements and reports of the Cashier, who for a long time past had been misrepresenting the condition of the bank to the directors. False entries were made in the books and false accounts of fictitious persons were opened so as to hide the thefts. The reports of President Riddle showed the bank to be in good condition, while as a matter of fact it was filled with fraud and its assets were squandered in wild speculations. Even if the directors had investigated into every book in the bank they could not have discovered the frauds, so cleverly were they hidden, and it was only until after the failure of the bank that the frauds were discovered by expert examiners.

The case went before the Circuit Court of Pittsburg and finally to the Supreme

Court of Pennsylvania. The circuit court judge wrote a very sharp, terse, and in some places, amusing decision, in which he gave it as his opinion that the directors ought to be held responsible for the fraud practiced, but because of Supreme Court precedents, he felt in duty bound to follow them, and therefore absolved the defendants from any liability. The Supreme Court affirmed his decision and laid it down as a rule that the director of a bank is not to be held to the same ordinary care that he takes in his own affairs. As director he has only certain duties to perform, such as to assist in discounting paper and to pass upon other important transactions and his acts are confined to these duties, which do not make it necessary for him to investigate the books and the detailed management of the bank in all its branches as he would do in the management of his own business. The directors in this bank were not paid officers, and the court stated that to expect a director to give the affairs of the bank the same care that he takes in his own business, is unreasonable and not required. What is required of the director is that he shall not be grossly negligent of those duties required of him, as a director, and that he should not be blind to an open and palpably dangerous condition of affairs in the bank. In this case the court did not believe that the directors had been negligent or guilty of gross inattention to the business of the bank, and therefore they were held not to be responsible for the frauds of others in which they had not participated, and of which they had no knowledge, and which had only been brought to light by the aid of experts.

The case is a very interesting one from beginning to end and is cited here because it laid the foundation for many subsequent adjudications. It can be found in volume 15, of the Lawyers' Reports, Annotated, on page 305. EMANUEL T. BERGER.

THE BANK OF FRANCE'S SERVICE TO THE POOR.—The total number of bills discounted by the Bank during the past year was 16,866,855, against 16,784,993 in 1900, showing an increase of 81,862 bills. But while the bills increased so remarkably in number the total amount represented by them fell off from 12,247,555,500 francs in 1900 to 9,936,321,500 francs last year, being a decrease of as much as 2,311,234,000 francs. These figures bring out very clearly the force of what the Governor said respecting the depression throughout France last year. But it also demonstrates very forcibly the service which the Bank of France renders to the small trading and agricultural classes. It will probably be in the recollection of some of our readers that the average value of the bills discounted by the Bank of France in 1900 was 729 francs, or not much over £29 3s. of our money per bill. Last year the average was no more than 588 francs, being a little over £23 10s. of our money per bill. Here we have the strongest confirmation of what the Governor said respecting the manner in which the Bank lays itself out to afford the needed facilities to the very smallest traders and agriculturists. The Governor, unfortunately, does not give the small loans for the whole of France. But concerning the operations in Paris, he tells us that out of a total of 6,128,733 bills discounted in that city last year, 3,448,849 were for sums over one hundred francs, or £4 of our money. On the other hand, 1,181,229 bills were for sums from fifty-one francs to 100 francs, that is, between £2 and £4 of our money; and 1,409,021 were for sums between ten francs and fifty francs, that is, between 8s. and £2 of our money. Lastly, there were as many as 89,674 bills for sums ranging from five francs to ten francs, that is to say, from 4s. to 8s. of our money. Altogether the bills for sums under £4 of our money numbered 2,679,924, being about forty-four per cent. of the total discounts in Paris. The number of bills rejecfed by the Bank of France all over the country was only 55,687, and for sums aggregating 32,732,000 francs, or £1,309,280. And most of the rejections were because of defects in form.

The point, however, characteristic of the management of the Bank of France which we wish to bring again to the notice of the reader is the accommodation it gives to very small customers. For example, we find that last year 5,365 advances were made by the Bank of France at Paris and the branches for sums ranging between 250 francs and 500 francs—that is to say, £10 and £20 of our money.—*The Statist.*

THE MYSTERY OF THE BALANCES.

The disposition of our foreign trade balances is undoubtedly one of the most important economic and financial problems of the day. Last year, for instance, our net exports of merchandise amounted to $584,000,000, but instead of getting any cash for this enormous balance our imports of gold were actually less than the exports by some $3,000,000.

The question is, How was this balance settled?

During the early part of last year it was claimed by prominent financial authorities that we were lending abroad several hundred millions due on these balances. But after the panic it transpired that it was the other way—that we were borrowing vast sums from foreign bankers to finance the steel deal and the Northern Pacific operations.

Just now the most popular theory is that one part of these balances goes to cancel our annual foreign debts, a second to finance American enterprises abroad, and a third part to repurchase securities which Europe is forced to return because she has not money enough to square the account. In his article on the "Commercial Invasion of Europe," Mr. Frank A. Vanderlip estimates that in the past four years Europe has returned over $1,200,000,000 worth of our securities. In the "New York Times" of January 5, 1902, Mr. N. T. Bacon presents the fullest statement of this theory that has yet been given to the public. According to this writer's more modest estimate, we are getting back about $210,000,000 worth of securities a year.

Both of these writers assume that Europe is returning these securities because she hasn't got money enough to settle her adverse balances. But the fact that foreign bankers have been lending vast sums here since the first of last year proves that this assumption is unwarranted.

In regard to the kind of securities alleged to have been returned, Mr. Bacon is the only writer who gives any details. In the thirty months between July 1, 1899, and December 31, 1901, he claims that we got back $525,000,000 worth of securities. Of this amount $125,000,000 worth were, it is alleged, returned during the Northern Pacific contest. Here he assumes that the chief parties to this contest represented only American capitalists. This is another false assumption. J. P. Morgan is a great promoter and his concern is, more than anything else, a loan and investment company for English investors. Kuhn, Loeb & Co. are foreign bankers, and their concern is a loan and investment company for German investors. All the stocks that were sold by individual foreigners at the time were gobbled up by either one of these contestants. At the same time they also gobbled up what stocks were sold by individual Americans, so that when the end came it is quite likely that the three roads involved in the struggle were more completely under foreign control than ever before. Of the remaining $400,000,000 worth of stocks, alleged to have been returned in this period, Mr. Bacon appears to know absolutely nothing. He just takes it for granted that as we didn't get the cash for our balances, we must have got stocks, and lets it go at that. This happy-go-lucky way of solving the mystery may suit the Wall street boomers, but it will hardly satisfy the general public.

Now, it is very singular that in their search for facts it never occurred to the advocates of this theory to examine the New York Stock Exchange records. These records are published daily and they furnish much more reliable information than can be gained from those who are interested in bulling the stock market.

Beginning with 1898, the first year of this alleged foreign liquidation, we find that the purchases of stocks for foreign account exceeded the sales in every quarter, except the second, when the breaking out of the Spanish war put a damper on all speculation for a period. But in spite of this drawback the net purchases for the entire year amounted to over 500,000 shares. In 1899 the sales were ahead in the first quarter, but in the next three quarters the purchases had the best of it, and exceeded the sales for the whole year by about 550,000 shares. In 1900 the sales were most numerous in January, July, October and November, nevertheless the purchases were most numerous in every quarter, and overbalanced the sales during the year by over 1,317,000 shares. In 1901 the purchases were ahead during the first three quarters, the total excess for the year being about 1,080,000 shares.

This makes the net purchases for the whole period of four years amount to over 3,450,000 shares. In other words, instead of selling over $1,200,000,000 worth of stocks in this period, as Mr. Vanderlip claims, the foreigners have bought about $250,000,000 worth more, and instead of selling $525,000,000 worth between July 1, 1899, and December 31, 1901, as Mr. Bacon claims, they have bought about $200,000,000 worth more. These records are copied from the New York "Evening Post," "Evening Sun," and the "Times," and, I think, are more to be depended upon than the haphazard guesses of those who have not thoroughly investigated the subject.

But, it may be asked, does this settle the question? Are these Stock Exchange transactions a fair index of dealings for foreign account elsewhere? One prominent financial authority whose opinion was solicited on this point seems to think they are not, because they make no account of sales or purchases on direct orders. As an offset to this, other authorities contend that such transactions are a fair index of dealings for foreign account elsewhere, and in support of this contention they point to the fact that in the great majority of cases the transactions on direct orders are of the same character as those on the Exchange.

During this period there were numerous transactions outside of Wall street. In 1898 there were sold in London $6,000,000 worth of Reading Railroad bonds, 50,000 shares of Erie, $52,000,000 worth of New York Central, 30,000 shares of Northern Pacific, a big block of Pittsburg and Western fours, and $10,000,000 worth of Southern Pacific bonds. In 1899 English investors bought the New Jersey Glass Works, capital $30,000,000, Independence and Rob Roy gold mines, $12,000,000, and 50,000 shares of railroad stocks. In 1900 Speyer Bros., of London, bought $8,600,000 worth of railroad stocks and Kuhn, Loeb & Co. bought $35,000,000 worth of Third Avenue Railroad bonds. In 1901 the Spool Thread Co., capital $68,000,000, and Cramp's Shipyard were absorbed by Englishmen and $30,000,000 worth of St. Louis and San Francisco Railroad bonds were bought for foreign account by J. & W. Seligman.

In addition to these, there should be included the purchases of J. P. Morgan for his English customers, which probably exceed all of the other purchases put together. But, it is not necessary to swell the list of purchases; it is only necessary to emphasize the fact that the newspapers that report these transactions make no mention of any foreign sales to offset them. Of all their numerous investments, during the last fifteen years, in mines, lands, in iron, steel, and glass plants, flour, cotton and woolen mills, stove works and breweries, there is no record of a single instance where the foreigners have let go their grip on any of these properties. On the contrary, they seem to be extending their grip all the time; and the great international bankers and promoters like J. P. Morgan, August Belmont, J. & W. Seligman, Kuhn, Loeb & Co., and Speyer & Co. are more prominent than ever before in the control of our properties.

Another alleged factor in cutting down our balances is the financing of American enterprises abroad. Mr. Bacon puts this item at $144,000,000 yearly, one-half of which goes to Canada, Mexico and Great Britain. But, like most of his estimates,

this one is based upon pure guesswork; there is no actual proof that even one-tenth of that amount of real American capital goes on this account every year. Thus in referring to our ventures in London, he mentions "the underground railroad schemes of Mr. Yerkes, which is said to have called for $18,000,000" of our money, when as a matter of fact not a dollar of real American capital had gone into them up to January 1, 1902.

The purchase of the Leyland Line last year is also exploited by Mr. Bacon (as well as by many others) as a striking proof of our rapid progress in acquiring the earth; but recent developments do not encourage this particular boast. If this line had been really "bought up bodily," as he expresses it, we might naturally suppose that the meetings of its owners would be held here in the United States, but from the "Times" of April 30, 1902, we learn, to our no small surprise, that a meeting of the shareholders of the Leyland Line was held in London the day before. Among the shareholders present were a number of leading (English) shipowners, including Mr. Pirrie of the shipbuilding firm of Harland & Wolff, but not a solitary American capitalist appears to have attended the meeting, although it was a very important one. When all the facts of this new ship combine come out, the claim that it will give us control of the world's shipping will prove just as illusory as this Leyland Line purchase.

Referring to our ventures in England, Mr. E. A. Dithmar, the London correspondent of the "Times" (January 5, 1902), says: "We hear a great deal about the vast amount of American money put in English enterprises, but much of this talk is misleading. The stock in many English companies that originated as branches of American enterprises is largely held by Englishmen. A distinguished banker, who has financial relations with the United States, told me the other day that the only considerable investment of American money that he knew of was that of D. O. Mills in the Central London Electric Line." This letter appears in the same issue of the "Times" with Mr. Bacon's article, so the public can choose between that paper's expounder of theories and its reporter of facts.

What is true of our ventures in England is doubtless true of those elsewhere. Many of them are—like Mr. Yerkes' London schemes—in the future, and have nothing to do with financial problems of the past; others, as in Canada and Mexico, are being financed with the capital of foreign bankers here in New York, while the amount of genuine American capital invested in still other ventures is but a drop in the bucket when compared to the amount of foreign capital invested in the United States. In addition to all this, the monetary conditions that have prevailed here in the period treated, to which I shall advert presently, sufficiently prove the utter absurdity of the claim that we have a yearly surplus of $144,000,000 to finance the rest of the world.

The purchase of those foreign bonds has been exploited as proof that our big balances are transforming us into a "creditor nation," but a glance at the naked facts serves to dispel this pleasing illusion. The Russian bonds came here as the result of a transaction between American contractors and the Russian Government. Some of the German bonds were taken by our insurance companies in order to enable them to do business in Germany. In regard to the Bavarian loan of 1901, however, it was stated at the time by the firm that conducted the transaction, that the principal subscribers in this country were foreign societies and the class of foreigners who go about with large sums of money sewed in their clothes. This furnishes a pretty good clue to the mystery of most of these transactions. The vast army of aliens, who come here for the sole purpose of hoarding up money, prefer to invest their savings in bonds of their own country, than to trust it to strange banks. The fact that all of the bonds came from countries that have large contingents of their thrifty sons here goes far to strengthen this view of the matter.

One of these transactions, however, requires a different explanation. I refer to the British bond purchase last spring. This transaction took place just when the stock boom was at its height, and was exploited by every bull in Wall street as another convincing proof of our stupendous financial prosperity. "What better proof did any one need than this," it was said, that we had become a creditor nation with New York as the world's money centre? After the panic of May 9, the astonishing fact came out that the very same parties who bought these bonds (and, incidentally, the Leyland Line) had been for months previous borrowing enormous sums from foreign bankers to finance the steel deal and the Northern Pacific operations. The only reasonable explanation of it all is that the purchase was what is called in Wall street (and pretty much everywhere else) "a transaction gotten up for the express purpose of booming the stock market." Some of the bonds were sold to the colony of British residents here, and the rest (as I also learn from E. A. Dithmar in the "Times" of January 5, 1902) were, after the panic, shipped back to Europe and dumped on the market to be sold for what they would fetch.

Finally, the monetary conditions that have prevailed here and abroad in the past three years are a sufficient refutation of this whole theory of the disposition of our balances. In 1899 there was a decided stringency in the money market, call loans ranging from twelve per cent. in March to 186 per cent. in December. In its issue of September 21, 1899, the "Evening Post" states that foreign bankers were lending large amounts on the Stock Exchange. On December 18, Wall street experienced the severest one day money panic in its whole history. And it was not until J. P. Morgan with foreign money at his back appeared on the floor of the Stock Exchange that the storm abated. Money was easier in 1900, probably because of the big foreign investments, but even with this aid, along with our big trade balances, there was not a single month in the whole year when the market was entirely free from apprehensions of future stringency, as was proven by the frequent announcements that Secretary Gage would come to the relief when occasion required. In 1901, signs of stringency began to appear early in the year and they have kept on increasing ever since. The foreign bankers have been lending enormous sums to the big promoters and smaller operators on the Stock Exchange. According to the press reports there have been several occasions in the past twelve months when it required the Treasury bond purchases to avert serious financial panic. In its weekly financial article, the "Sun" of October 7, 1901, says: "It is now manifest that only the bond purchases of Secretary Gage averted a money panic of the first dimensions in the business world."

Futhermore, in spite of the confident predictions of stock boomers and financial oracles, the conditions seem to be getting worse, instead of better. In its issue of May 7, 1902, the "Times" published the following items: (1) Purchase of 20,000 shares of stocks for foreign account on the Stock Exchange; (2) purchase of 50,000 acres of Texas oil lands by an English syndicate; (3) statement that "one London banking house has recently purchased in open market 50,000 shares of Union Pacific stock, supplementing the recent large purchases of the same stock by London and Amsterdam brokers; (4) large purchases of Canadian Pacific stock for Scotch bankers. Now, although these foreign purchases have been equally heavy for some time past, it seems that, instead of getting any cash from abroad, it has required large loans by foreign bankers to check gold exports and avert the constantly-dreaded money panic. It seems, that, instead of cancelling the debts we contracted last spring, we have been contracting new ones, going from bad to worse, so that at the present time our borrowings from foreign bankers are on an enormous scale—larger, in fact, than ever before.

In view of all these facts, the assumption that we have a yearly surplus of $350,-000,000 from our balances, to repurchase securities, to finance American enterprises

abroad, or invest in foreign bonds, and that we are thus changing from a debtor to a creditor nation, seems like one of the biggest deceptions ever imposed on the American people. The wonder is that public opinion has tolerated it so long.

The truth is, that instead of having any such surplus, the financial and other conditions just noted fully warrant the belief that these balances, big as they are, are not nearly big enough to offset our annual foreign debts, and that the actual balance of trade is largely against us.

In recent years these debts, for interest, dividends and profits on foreign capital, immigrants' hoards, expenses of Americans abroad, freights, etc., have grown so large that now they overtop our trade balances, hence, instead of having a big surplus to repurchase securities, etc., we have a big deficit, which has to be met by exporting specie, or selling more securities, or by contracting sterling loans. One of these annual debts—immigrants' hoardings—is always overlooked, but I am convinced that it amounts to more than any other one item, except the earnings of foreign capital.

It is not necessary here to make any estimate of each one of these debts, but the fact that when added together they greatly exceed our balances, leaving us an enormous deficit to struggle with, is evidenced by a number of circumstances.

First, there is the unmistakable fact that for the last sixteen months foreign bankers have, in addition to their big stock purchases, loaned vast sums of money here. As the exports of gold exceed the imports during this period, they couldn't have got this money from abroad, therefore, they must have got it here. And the only way they could possibly get it here was in settlement of a deficit. Some other circumstances which tend to corroborate this view are the disappearance of our gold currency and the condition of our money market. Although three-fourths of the great increase in our currency since 1896 is said to consist of gold coin, it is well-known that there is less of this kind of money in general circulation now than there was five or ten years ago. Again, in spite of the fact that at the present time we are supposed to have the largest per capita circulation on record, it is nevertheless true that since the beginning of last year it has required more aid from the National Treasury, and more loans from foreign bankers to prevent a serious collapse in the money market, than in any similar period of our history. These circumstances lead to the conclusion that it is the diversion of our missing gold into the foreign banks in settlement of this deficit, that is at once the cause of the prosperity of these institutions and this stringency in our money market. An additional circumstance which strengthens this conclusion is the negative influence of our semi-annual interest disbursements. In November last when money was so tight every oracle in Wall street predicted that the January disbursements, which were to be the largest on record, would bring relief and create a big boom in stocks. But this happy prediction proved a failure. Money was but little easier for a short time, and the stock boom never came. On the contrary, the market was unusually dull. Transactions in stocks on the Exchange for the month of January were the smallest since last August, and were less than half those of the corresponding month last year.

Now, it is morally certain that if these enormous disbursements ($132,000,000) had been paid to American investors, the effect would have been to make money more plentiful, and to give a great boom to stocks. Hence, the fact that there was no such change for the better, and that since then the stock and the money market is leaning more heavily than ever before upon foreign bankers, furnishes still further proof that our money is going into the vaults of the foreign banks in settlement of this deficit.

Some of our financial leaders will have it that these monetary conditions are due to our inelastic currency, poor banking methods, and the locking-up of so much Government money. But none of these alleged defects can explain the disappearance of our gold currency, the negative influence of the semi-annual interest disbursements, or the great prosperity and money-lending capacity of the foreign banks here. The only reasonable explanation of these circumstances is, that in our dealings with the rest of the world, we are running very far behind. But those financial leaders are blind to all this. They have allowed their prejudices and predilections to lead them on a false trail. To use a homely phrase, "they are barking up the wrong tree."

According to the "Times" of June 7, C. Schumacher, the foreign exchange expert, estimates our borrowings of foreign bankers at $500,000,000 and this enormous amount, he says, will be largely increased before the summer is over. When will the American people open their eyes to the full meaning of all this?

W. H. Allen.

Brooklyn, June 10, 1903.

THE BANK CLERK AND CIVIL SERVICE.

[Address delivered before Alexander Hamilton Chapter American Institute of Bank Clerks by W. E. Stevens, Paying Teller of the Dollar Savings Bank, New York city.]

The ordinary man of affairs who opens an account with a bank, and thereafter utilizes the means it furnishes for facilitating his business operations, knows but little of the vast amount of machinery set in operation, as a result of his action, and in fact cares less. His credit is good, therefore the desired funds are forthcoming; such paper as passes through his hands receives prompt and due attention; his various needs are supplied with courtesy and dispatch; so he is satisfied. He is interested solely in results, and seeks to know but little of the methods by which they were attained.

The fact is, however, that an intelligence of the highest order has been brought to bear on his case. To safeguard and advance his interests the very best of mental and moral equipment has been utilized, and a skill and training second to none required by any other vocation has been placed, for the time, at his disposal.

The work of the bank clerk is not showy, but it calls for qualifications of the highest rank just the same.

When one considers the tremendous interests involved in the banking world; the commercial value of the transactions; the great volume of business, and the intrinsic worth of the commodity handled, it is quite appreciable that nothing less than an A 1 XXX brand of a man is wanted there.

The volume of business, with its limitations as to the time in which it must be handled, makes necessary a thorough knowledge of detail, combined with rapidity of action. The nature of the business itself demands at the same time great exactness.

Withdraw from the situation, if you please, the helpful and stimulating qualities of variety and change, and add those of endless routine and drudgery, and you have mapped out the bank clerk's life and work to a dot.

What other calling in life is there that requires at once so many varied and contradictory qualifications of any one man? That demands so high a standard of mental efficiency and moral worth? We know of none. Viewing the matter in this light, it is right and proper that the one most concerned, the clerk himself, should be able to lay his foundations and build thereupon, with a certainty of seeing the building rise to completion, and he himself enjoying the well-earned reward of his labor.

The efficient bank clerk is an evolution of a most superior order. There is nothing nebulous in his beginning. He must have certain well-defined natural qualifications and abilities to start with. To what was his in the beginning, he has added by observation and training, until we find him fitting perfectly into his place in the great machine where friction and waste of force have been reduced to a minimum.

An Analysis of the Bank Clerk's Qualifications.

That we may the better understand these two elements in his make-up, *i. e.*, natural and acquired ability, let us for a moment subject him to a more detailed analysis.

If he be a wielder of the pen, whether as a general bookkeeper or on an individual ledger, it matters but little, he must be both careful and quick. "Slow but sure" might have done some time ago. It is "quick and sure" now, however. He must

be what is commonly called a "steady" man; one who is able to handle the same kind of hum-drum work, day in and day out, without being affected either by the involved drudgery or the necessary routine.

Things that are constantly handled gradually tend to lose their distinctive quali fications, and in his case it would be so easy to become careless. This he must at all hazards avoid. Much indeed depends on his accuracy of work, otherwise an overdrawn account may be laid at his door, or what might be worse, the affected, if not ruined, credit of some depositor. The qualifications seem simple, yet strangely enough the names of the faithful in this respect are not "legion."

What about the man in the cage? What a combination of qualities he must have! His is in reality the salient point of the line. He is in the fighting zone all of the time, and constantly under fire. He is the bank's agent in dealing with the public. A go-between, if you please.

He must be affable, courteous, and diplomatic; steady of nerve and a man of decision. A keen judge of human nature both good and bad. A man who knows men; mentally acute, and morally straight as a die; possessed of an automatic register memory for faces, facts and figures.

These are some of his natural qualifications. Add to this a thorough knowledge of banking in general, and of the detail of his own bank in particular, and you have the teller.

We might take up other positions, but it is not necessary. Enough has been said to demonstrate the absolute necessity of a highly-trained force of men: and men, too, of considerable natural ability, in order to the successful carrying on of a bank.

That this training, which is both general and technical, is not always in evidence, is seen from the report of the committee on education, of the American Bankers' Association, which resulted in the present movement known as the American Institute of Bank Clerks.

Take the ordinary young man, by which I mean the every-day clerk, as you find him in the general run of banks; bright, capable and willing; possessed of a good general education, and with no lack of ordinary horse sense, and a desire to advance in his calling.

This young man finds himself face to face with a routine of duties, which so occupy his time as to give him but little chance to familiarize himself with other bank work, save as it closely happens to touch, or lie annexed to his own particular desk.

He will progress, all other things being equal, from point to point in the course of time, but his education by such means is bound to be narrow, and entirely technical, bearing directly and only on those particular realms through which he has come. The standard thus raised, while testifying to more or less efficiency on the part of the force as a whole, is not high. It tends to make machines of men, whose work takes on the nature of the automatic, rather than of broad, intelligent service. How often banks find it necessary to step outside of their force, in order to fill some important vacancy, for the reason that no one then at hand is prepared, even theoretically, to handle the position. Thus is often laid at the door of influence a change that belongs solely and entirely to the realm of competency.

Influence can not Hold its Ground Against Efficiency.

We are now brought face to face with the "Bogie Man" of the bank clerk, who ever stands ready to jump out at him from some dark corner of his imagination. I mean that which is suggested by the solemn word "Influence."

It will always be true that outside associations will play their part in this matter. I am going to aid my friends, and you are yours, most certainly. Others higher up

than we have not lost the same right, and will continue to exercise it, no doubt, from time to time; but it certainly holds, with rare exceptions, that influence apart from merit will not hold in the long run, and capability will assert itself in spite of all. However much the business man would like to remember some friendship, or pay some social or political obligation, he is not likely to do so at the sacrifice of efficient service.

It will surely terminate here, as elsewhere, in the survival of the fittest.

If you have the goods to sell, the market will not be wanting.

It was at one of the meetings of our chapter that one of the gentlemen present, after hearing the explanation made of the plans and purpose of the proposed organization, asked the following question.

"Do the officials of the various banks interested agree in any way to honor or accept the certificates of merit issued when courses of study have been faithfully followed and completed?"

This is a most natural and reasonable question, and might easily have been anticipated as the first point of consideration. It is a question that opens a door through which troop a host of thoughts that have to do with the whole scheme comprehended in the higher and more thorough education of the working force in the bank. Herein is involved not only the reason for, but also the incentive to, a systematic study along constantly advancing lines on the part of the bank clerk.

Some clerks say, "Methinks I smell a rat. It smacks very much of an attempt to get more and better work out of me for the same monetary consideration."

For such a one we have no advice to offer. The nature of the question notes the caliber of the man, and shows plainly that his fear is impossible of realization.

Another argues in this way, unfortunately he has some reliable data on which to base his argument: "See here, what will be the use of my exercising myself so seriously over this matter? I may prepare myself ever so carefully, along the very lines you suggest, only to see the expected vacancy filled by some one slipped in over my head, who seemed to hold the larger end of the stick."

To him we would say as before, merit will assert itself in the end. If he is a better man than you, the place is his by a higher right than that of mere influence; if otherwise, success will be attained by overlooking present disappointment, and hanging on, like a postage stamp, which, as Billings said, "sticks to the same thing till it gets there."

I have seen this very thing happen; so no doubt have many of you; but I have also seen stability, persistency and efficiency creep up upon and pass the erstwhile victorious opponent.

Promotion Based upon Merit and Seniority of Service.

There is enough of truth, however, in the clerk's position to make it annoying. Good faith on the part of the clerks should be protected and rewarded. It will be demoralizing to the force, and eventually expensive, if they feel themselves entirely at the mercy of either favor or caprice, on the part of those in authority.

There must be some solid and recognized scheme of progression, in order to inspire confidence and furnish an incentive to higher effort.

Advancement should be according to seniority and merit. This scheme is now followed by several large banking institutions to a considerable extent, and very largely by certain railroad corporations, and found to add much in every way to the efficiency of the service rendered.

The scheme rests on a solid, recognized basis. If a man is superseded, he knows just why. He isn't up to the standard required. He can feel no sense of injustice. None has been done him. On the other hand, all other things being equal, he is sure of promotion and reward in due time, and that "no one can take his crown."

The market is there, but he must furnish the goods.

Not only is a well-regulated civil service scheme desirable, feasible and beneficial, but it can be assisted to success by a course of theoretical preparation that can be made extensive in its application.

The commercial interests of our country are so many and varied, and in consequence require such widely differing methods of operation, that no scheme could be devised that would be anything more than preparatory in its character and scope. There are certain principles of business procedure, more or less common, both in accounting and bookkeeping; these the different business colleges try to teach. In most cases, however, it is business truth in the abstract, and graduates find much to learn of which they never dreamed. They find themselves equipped with but the tools, the real use of which is to come.

Banks differ also in their methods of operation, but there is much more uniformity, the work to be done in each case being the same. Banks in general differ but little in the various divisions of their work into departments; compared bank with bank a surprising uniformity as regards scope and method will be shown. Of course, there are many differing details, but a system of preparation could be outlined that would be found to work admirably even with an interchange of clerks from bank to bank, so much is there of sameness in bank methods in general. Allowance must, of course, be made for the special training and preparation that the particular condition of each individual bank requires, such as acquaintanceship with the customers, and all that that includes, and the nature of the business done.

The young man thus carefully prepared, with a broad, intelligent view of his chosen profession, and his own relation to it, and with a faith in his own future that rests on a certainty of advancement if he merits it, will be a power and a force not to be despised. He will possess the philosophy of success.

He has the reason for it within himself. The opportunity must of necessity sooner or later present itself. He stands ready when it shall appear. He is in the place of a man prepared, so he can let his imagination carry him forward through the years to the time when toil will be for him no longer necessary, when he can retire to that modest home, up in the hills, and enjoy the competency which the wisdom and generosity of his board of directors have made possible.

STATE BANKERS' ASSOCIATIONS.

REPORTS OF RECENT AND PROSPECTIVE MEETINGS.

SOUTHERN TRI-STATE BANKERS' CONVENTION.

A joint convention of the Association of Georgia, Virginia and North Carolina was held at Savannah, Ga., June 17, and was called to order in the De Soto Hotel by President John F. Bruton, of the North Carolina Bankers' Association. President Seay, of the Virginia Bankers' Association, was called on to preside. He announced that Hon. Charles N. Fowler and Hon. E. J. Hill, who had been expected to be present and talk on currency legislation, were unable to come. He also announced that Hon. Wm. A. Blair, Vice-President of the People's National Bank, Winston, N. C., was prevented from being present.

The addresses of welcome were delivered by Pleasant A. Stovall, editor of the Savannah "Press," and by R. F. Maddox, Vice-President of the Maddox Rucker Banking Co., of Atlanta. Responses were made by President Bruton, of the North Carolina Bankers' Association and President Seay, of the Virginia Bankers' Association. These addresses were replete with interesting facts showing the great progress made by the banks and the increase in material prosperity generally throughout the South in the past few years.

Hon. Charles T. O'Ferrall, former Governor of Virginia, delivered an address in which he mentioned the course he had taken in reference to the silver question, placing himself in opposition to the great majority of his party, and suffering political defeat in consequence. He stated, however, that he had no regrets to express or apologies to make.

The ex-Governor rather favored branch banks, but not to the extent of allowing banks in the large cities to establish branches that would crowd out local institutions. In closing his address Governor O'Ferrall said:

> "While we are meeting as Georgians, North Carolians and Virginians, we must not forget that we are Americans as well. We glory in our States, but we glory, too, in this Union of States. Our State flags wave over the domes of our capitals, but alongside of them, streaming in the breezes, is the ensign of the Union, typical of a united people, living under a common flag and the ægis of a common constitution, and enjoying the blessings of a common republic. May that national ensign continue to rustle its silken folds during the ages to come as the emblem of freedom and justice, strength and power, peace and prosperity. May every American, like Hannibal at the altar of his gods, swear eternal allegiance to his country and his country's flag, eternal enmity to their foes."

Resolutions were presented declaring the Fowler Currency Bill to be "radical and revolutionary, seeking to practically abolish our present system and substitute therefor a new and untried one, as a dangerous experiment." The resolutions were referred to the conventions of the respective States, after which the joint convention adjourned.

GEORGIA BANKERS' ASSOCIATION.

The ninth annual convention of the Georgia Bankers' Association was held at Savannah, June 18, Percy E. May, Cashier of the National Exchange Bank, Augusta, presiding. Reports of the various officers were presented showing an increase in membership and interest. A resolution favoring an investigation of the Torrens system was referred to the executive council, and another resolution was passed

favoring the repeal of the National Bankruptcy Act, and the following in reference to currency legislation :

Whereas, The members of this First Inter-State Bankers' Convention, comprising the associations of Virginia, North Carolina and Georgia, are greatly disappointed at not meeting the Honorables Charles M. Fowler and E. J. Hill, whose presence we had reason to expect; therefore be it

Resolved, That this convention regrets being denied the privilege of hearing these gentlemen discuss the merits of the Fowler bill now pending in Congress.

Resolved, Second, That we have carefully considered the proposed banking system contained in this bill and regard its radical and revolutionary character, seeking as it does to practically abolish our present system and substitute therefor a new and untried one, as a dangerous experiment.

Resolved, Third, That we do not consider our present system perfect, but it should be corrected by necessary legislation, preserving those features that give uniformity of value and security to all bank issues.

A memorial from the teachers of the State was presented favoring the abolition of days of grace. Mr. Rhea said that the Legislature had refused to act upon similar recommendations made by the bankers, and suggested that the schools, and perhaps the Sunday schools, might have better success. W. S. Witham replied that the Sunday schools had brought this to the attention of the Legislature. But the Legislature went off singing one of those old songs: "Oh, to grace how great a debtor daily I'm constrained to be!"

Resolutions were adopted providing for the appointment of two delegates to represent the association at the convention of the American Bankers' Association; also that no bank that has had an officer selected as a delegate shall have an officer again selected for five years from the date of last selection; also that when any officer of a bank chosen as a delegate may be unable to attend the bank may name his substitute.

Col. Robert J. Lowry, President of the Lowry National Bank, of Atlanta, and Chairman of the Educational Committee of the American Institute of Bank Clerks, made an address calling attention to the educational advantages which the Institute offered the bank clerks of the country. He said that the clerks were making use of these opportunities, and that the standard of bank work was being raised in consequence.

The following officers were chosen:

President—F. D. Bloodworth, Cashier National Bank of Savannah, Savannah.

First vice-president—S. B. Brown, President Albany National Bank, Albany.

Second vice-president—M. S. Bell, Cashier Milledgeville Banking Co., Milledgeville.

Third vice-president—C. C. Sanders, President State Banking Co., Gainesville.

Fourth vice-president—A. D. Brown, Cashier People's Bank, Talbotton.

Fifth vice-president—J. D. Culpepper, President and Cashier Citizens' Banking and Trust Co., Thomasville.

Treasurer—George H. Plant, Vice-President First National Bank, Macon.

Secretary—L. P. Hillyer, Cashier American National Bank, Macon.

The following members of the executive council were named :

Chairman—R. F. Maddox, Vice-President Maddox-Rucker Banking Co., Atlanta.

E. D. Walter, Cashier National Bank of Brunswick, Brunswick.

Joseph A. McCord, Cashier Third National Bank, Atlanta.

E. J. Perry, Cashier Bainbridge State Bank, Bainbridge.

J. G. Rhea, Cashier City National Bank, Griffin.

L. C. Hayne, President Planters' Loan and Savings Bank, Augusta.

G. Gunby Jordan, President Columbus Savings Bank, Columbus.

John D. Walker, Cashier Bank of R. A. Graves, Sparta.

J. A. G. Carson, President Merchants' National Bank, Savannah.

NORTH CAROLINA BANKERS' ASSOCIATION.

The North Carolina Bankers' Association met at Savannah, Ga., June 18.

Resolutions were passed recommending the discussion of the Torrens system of registering land titles, and the matter was referred to the incoming executive council. The following resolution was also passed:

Resolved, That this convention expresses regret that the Hon. Charles N. Fowler could not be present at our inter-State convention and explain the provisions of his bill to reform the currency; and express our regret that while the said bill embraces many admirable features, with the lights before us, we cannot endorse the same. We recommend to the members of the association that they give the bill careful study, so that at the proper time they will be prepared to give expression to their convictions on the subject.

Reports were made by a number of the bankers present, and the banking business of North Carolina was shown to be in a highly satisfactory condition.

A pleasing incident of the convention was the presentation of a water set to Jno. M. Miller, Jr., former secretary of the North Carolina Bankers' Association, and now Cashier of the First National Bank, Richmond, Va.

The following officers were elected for the ensuing year:

President—George W. Montcastle, President Bank of Lexington.

First Vice-President—W. H. S. Burgwyn, President National Bank of Weldon.

Second Vice-President—W. L. Parsons, Cashier Bank of Pee Dee.

Third Vice-President—Lee H. Battle, Cashier City National Bank, Greensboro.

Secretary and Treasurer—C. N. Evans, Cashier Merchants and Farmers' National Bank, Charlotte.

Executive Committee—H. W. Jackson, Merchants and Farmers' Bank, Raleigh; John F. Bruton, President First National Bank, Wilson; J. S. Sawyer, President Battery Park Bank, Asheville; Andrew Moreland, Cashier Atlantic National Bank, Wilmington.

Delegate to the meeting of the American Bankers' Association—J. F. Bruton, President First National Bank, Wilson; alternate, George Stephens, Vice-President Southern State Trust Company, Charlotte.

VIRGINIA BANKERS' ASSOCIATION.

The ninth annual convention of the Virginia Bankers' Association was held at Savannah, Ga., June 18. George J. Seay, Cashier of the Petersburg Savings and Insurance Co., Petersburg, Va., presiding.

H. A. Williams, the secretary and treasurer, read his report, which showed a membership of 104 compared with ninety-four a year ago.

Resolutions were adopted favoring a joint convention next year of the bankers' associations of Virginia, Georgia, North and South Carolina, Florida and Alabama; also favoring the repeal of the National Bankruptcy Act. No action was taken in reference to the Fowler bill, the general sentiment being that the bankers had not studied it sufficiently to vote upon it understandingly.

President Seay gave the following facts in regard to the banks of Virginia:

	January, 1900.	*February, 1902.*
Paid-up capital	$13,177,305	$14,474,487
Surplus and undivided profits	7,065,050	9,458,066
Loans and discounts, stocks and bonds	52,697,020	70,189,521
Deposits	33,363,019	58,230,975

Officers were chosen for the ensuing year as follows:

President—O. J. Sands, President American National Bank, Richmond.

Vice-Presidents—J. B. Fishburn, Cashier National Exchange Bank, Roanoke; H. E. Jones, President Dominion National Bank, Bristol; J. D. Horsley, President First National Bank, Lynchburg; J. R. Jopling, President First National Bank, Danville; E. D. Newman, President First National Bank, Luray; W. M. Habliston, President National Bank of Virginia, Richmond; W. H. Taylor, President Marine Bank, Norfolk; H. L. Schmelz, President Schmelz Bros., Newport News; W. P. Tams, Cashier Augusta National Bank, Staunton.

Treasurer—H. A. Williams, Cashier Metropolitan Bank of Virginia, Richmond.

Secretary—N. P. Gatling, Lynchburg.

Executive Committee—E. P. Miller, Cashier First National Bank, Lynchburg; J. W. Bell, President First National Bank, Abingdon; J. A. Willett, President and Treasurer Security Trust Co., Newport News; W. M. Hill, Cashier State Bank of Virginia, Richmond; L. C. Myers, Cashier First National Bank, Harrisonburg; M. G. Field, Cashier National Bank of Orange, Orange; A. B. Schwarzkopf, Cashier Norfolk National Bank, Norfolk; J. B. Fishburn, Cashier National Exchange Bank, Roanoke; James T. Catlin, Cashier Citizens' Bank, Danville.

WASHINGTON STATE BANKERS' ASSOCIATION.

The seventh annual convention of the Washington State Bankers' Association, held at Seattle June 19, 20 and 21, was the most largely attended, as well as the most successful in every respect, of any yet held.

Mayor Humes welcomed the bankers to Seattle, and ex-Governor Miles C. Moore, President of the Baker-Boyer National Bank, Walla Walla, responded on behalf of the bankers. An interesting address, entitled "Early Reminiscences," was delivered by M. M. Cowley, the venerable President of the Traders' National Bank, Spokane.

Mr. Cowley was mining gold in Florence, Idaho, in 1860, and spoke humorously of the dinners he used to eat at $7.50 per plate, the meal consisting of half a pound of butter, costing $2.50; a bunch of onions at $2.50, and a loaf of bread, worth $2.50. He said he made thousands of dollars in Idaho, but lost it by speculation, and landed in Walla Walla with twenty-five cents, which he spent for a quarter of a pie.

Hon. H. W. Corbett, former United States Senator from Oregon, and President of the First National Bank, of Portland, one of the oldest and largest banks on the Pacific Coast, spoke in regard to the past history and future prospects of the National banking system. He thought that in time it might become necessary to substitute other security in place of United States bonds as a basis for circulation, and suggested that high-grade railroad bonds might be used under proper restrictions.

At the afternoon meeting of the first day's session, Jacob Furth presided, President Dyer being absent.

One of the principal addresses made at the convention was that of Mr. Kauffman, of Tacoma. He spoke as follows:

Needed Financial Reforms and Pending Legislation.—Address of P. C. Kauffman, Second Vice-President Fidelity Trust Company, Tacoma.

That the financial system adopted in the United States since the passage of the National Banking Act in 1863 has not gone hand in hand in its development with the wonderful growth and expansion of this Nation and every other kind of business, and that our methods of banking are in many instances crude and antiquated and fall far short of meeting the requirements of trade and commerce, is a fact admitted by everyone who has given the subject even cursory examination. The business interests of the country and our wonderfully expanding foreign trade call imperatively upon Congress and our great financiers for a most earnest, thoughtful and thorough examination of our banking system, in order that its weak points

may be strengthened, its facilities expanded and modifications made that will enable us to successfully finance the great operations of domestic commerce and foreign trade so that the twentieth century will not only see the United States the arbiter of the world's trade, but also the arbiter of the world's finances.

This is the period of evolution, in science, commerce and trade. Improvements in and modifications of methods of business are daily taking place in every trade, profession and avocation. The great manufacturing consolidations of the past few years have completely revolutionized the methods of business of a decade past.

With the wonderful inventive genius of the present age, man's capabilities have been increased a hundred fold. Labor-saving machinery has been adopted in every business and profession: step by step improvement has followed improvement, so that should one of the captains of industry or masters of finance of a quarter of a century ago come back to earth, he would find himself completely lost in the manifold complexities of modern business and stand amazed as he saw the facility and ease with which our present captains of industry surmount what would seem to him almost insuperable difficulties and handle a volume of business, that when he occupied his place among men, would have been deemed incredible.

The telegraph, the telephone, the typewriter, the comptometer, are potent factors in the business of to-day and fully as essential as the draft or bill of exchange.

In view then of this wonderful evolution and progress in every other business, does it not reflect strongly against the banking fraternity, that it alone has stood still in this great period of improvement, and that it has been well-nigh impossible to get Congress to enact such legislation as is necessary to make our banking system thoroughly up to date and fully adapted to the multiplex necessities of modern trade.

This is the time for us to examine closely the weak links in the chain of our financial system, and by proper legislation to strengthen them so that when a wave of distress shall again dash over the land, it will not find us unprepared as it did in 1893.

God in his goodness to us as a Nation has given us splendid crops and an abounding prosperity, and the miner with his pick and shovel has more than doubled our stock of gold since then and so shielded us from the otherwise inevitable result of our foolish financial policy; but Congress has had little to do with either of these causes, and indeed so far as effective financial legislation is concerned, has been practically content to let things drift, and will be so content in the future unless an aroused public opinion shall demand some action, or adversity shall come again to compel it.

Thousands of years ago the *wise man* said, "A prudent man foreseeth the evil and hideth himself, but the simple pass on and are punished."

I commend this proverb, with all that it implies, not only to those who having given little thought to the question are content to let "well enough alone," but especially to those who fully realize the situation but are indifferent to it, putting its consideration aside till "a more convenient season," because a Congressional election is approaching and they fear its political effect.

GOLD STANDARD.

The first and most important step that should be taken, and for which a most imperative demand should be made upon Congress, is the enactment of legislation that will unequivocally, and for all time, establish the supremacy of the gold standard and put this country upon a complete and permanent gold basis. Let us no longer have any doubt or juggling with this question.

The first stone in the foundation of the structure of national credit is the inviolate character of its unit of value, and now is the time to complete the Act of March 14, 1900, by legislation positively and definitely establishing a permanent gold basis and removing all doubt of its meaning, by providing frankly and specifically for the exchangeability of the silver dollar with gold.

By specific enactment the silver dollar is made legal tender for the payment of all debts, public or private, unless otherwise provided in the contract. I take this positive stand, that the United States has no more right to put in circulation any form of legal-tender money, which it will not itself redeem in the money of the standard which it has proclaimed, than an individual has to issue his note with the deliberate intention of repudiating it when due. It is impossible to name any valid reason why the greenback, which is all fiat, should be redeemed in gold, and the silver dollar, which is only half fiat, should not be redeemed in gold also. The claim that by so doing we would increase the so-called "endless chain," and thus create a burden which the Treasury could not carry, refutes itself, for the silver dollar is to-day a legal tender for all dues to the Treasury, and as ex-Secretary Gage has well said: "The Government might just as well face the redemption of the silver dollar at the front door, as to delay it, until it must take it under the revenue laws at the back door."

In this connection the banking interests of the United States should announce themselves

unqualifiedly opposed to the proposition of the Senate Committee on the Philippines, in providing a monetary system for these islands, wherein not only is it proposed to substitute an American silver dollar for the Mexican dollar now in use, but it is provided that this dollar shall be coined on private account and that the mint at San Francisco as well as the mint at Manila shall be open for this coinage. The experience we had with the "trade dollar" created for Oriental commerce, ought to have given us a lesson sufficient to avoid any similar complications.

Traders in the Far East, who now recognize the American dollar, whatever its material, as the equivalent of one hundred cents in gold, are likely to be puzzled, if they are not actually swindled, by the appearance of a dollar from our American mints and with American emblems, worth less than forty cents. The result of such action can be clearly foreseen. The United States, in order to demonstrate the integrity of our monetary system, would unquestionably be compelled sometime to redeem them at par and thereby suffer millions of dollars loss. Let us hereafter, when we use the phrase gold standard, pronounce it without stuttering.

RETIREMENT OF THE GREENBACKS.

The next financial reform that we as bankers should most emphatically demand of Congress, is the enactment of legislation that will absolutely take the Government out of the banking business.

This should be done by first redeeming and retiring forever the greenbacks, and second by abolishing entirely the sub-Treasury system. There is no room whatever in a gold standard system for fiat money. It has been well said that "it is fiat money which has made impossible every scheme for the improvement of our banking system since the Civil War."

The specious argument of those who favor the retirement of the greenback, that it is a loan made by the Government without interest, and therefore without cost to the people, when examined carefully proves not only to be erroneous, but absolutely false, for the Actuary of the Treasury Department has conclusively demonstrated that the cost to the Government of maintaining the greenback, at par with gold, since resumption in 1879, has been nearly seven per cent. per annum. Had the United States notes been funded on the first day of January, 1879, into the thirty-year four per cent. bonds of 1907, then being sold, the total cost to the Government therefor, including interest from January 1, 1879, to July 1, 1907, would have been $339,984,222 less than the actual total cost, including the notes outstanding, the Government has been obliged to meet in order to maintain the greenback, and keep intact the gold reserve.

To this direct loss of nearly three hundred and forty millions of dollars to the Government must be added the incalculable loss suffered by the people, from the consequent panics and ruinous liquidations growing out of the unfortunate relation of the Treasury to our business interests. In my judgment this problem should be met fairly and squarely, and the retirement of the greenback should be by the direct and independent action of the Treasury, and I believe it could be done, "without making a ripple upon the financial surface of the country."

A simple provision in the act providing for the redemption and retirement of the greenback, authorizing the National banks to issue one hundred and twenty-five per cent. of circulation upon the bonds deposited, instead of one hundred per cent., with some provision for creating a safety fund from the proceeds of tax on circulation issued over and above the market value of the bonds, would provide all the additional bank currency necessary during the retirement of the greenback and remove all fear of an injurious contraction of the medium of exchange.

ABOLISH THE SUB-TREASURIES.

The second step necessary to take the Government out of the banking business is to abolish entirely the sub-Treasury system. Every other great nation does its banking business through its banks, depositing its revenues and receipts therein and making disbursements by means of checks and drafts thereon.

The United States, however, has established in various sections of the country, immense safe-deposit vaults, under the name of sub-Treasuries, in which it hoards vast sums of money of the current revenues of the Nation, thereby withdrawing it from circulation and thus contracting the available cash balances to such an extent as to frequently paralyze the financial centers, and cause the interest charges for money to run up to ruinous rates, and instead of relieving, actually increasing the distress incident thereto.

One of the wisest provisions in the pending Fowler bill, in my judgment is Sec. 10, wherein the Secretary of the Treasury is authorized to deposit all the money of the United States, in excess of fifty million dollars (except that in the issue and redemption division of the Treasury) in National banks, upon the condition that the banks shall first deposit in the United States Treasury United States bonds equal in amount at par to the sum so deposited,

and the further condition that such banks shall, on the first day of January and July of each year, pay interest thereon to the United States at the rate of one per centum per annum upon the average balances of the preceding six months, but such banks shall not be required to hold any reserve against such deposits.

The effect of this provision would be to practically eliminate the sub-Treasury as a disturbing element from our financial system.

PENDING LEGISLATION.

In discussing certain important legislation affecting our banking system, now pending in Congress, I shall not, for reasons that I have stated verbally, attempt to review the provisions of the Fowler bill, particularly those relating to asset currency and branch banking. I wish, however, to frankly state that notwithstanding the fact that I have been for years an earnest advocate of a bond-secured currency and an independent bank system, careful study and close investigation of these questions, with a thoughtful perusal of the addresses and arguments both pro and con, of many of our most eminent financiers and economists have brought me squarely to the belief that the future banking system of this country will contain provision formulating an asset note issue and the power to establish branch banks. It is merely a question of time and the working of the laws of legislative financial evolution. "A little leaven, leaventh the whole loaf" and no one who will review the growth of this belief, since the introduction of the so-called Baltimore plan, the Indianapolis Monetary Conference, the addresses of ex-Secretary Gage and ex-Comptroller Eckels at the Milwaukee convention of the American Bankers' Association, and the practical unanimity with which State bankers' association have placed these questions on their programmes for discussion, can fail to see that the ultimate result will be their adoption in some form. I do not, however, believe the time is yet fully ripe, nor that any of the measures proposed will receive popular or legislative sanction.

There can, however, be no doubt that these questions are being considered and discussed to-day, on the whole, with the thoughtfulness that their importance and gravity require. I am revealing none of the secrets of the recent meeting of the Executive Council of the American Bankers' Association at New York, when I inform you that a whole day's session was given to a consideration of the provisions of the Fowler bill, it being taken up and discussed section by section, and while it is evident that the bill, in its present shape, failed to command general approval, it was equally evident that the consensus of opinion of the eminent financiers then present, coming from all sections of the country, was that a law, somewhat along the lines of the one introduced by Mr. Fowler, would ultimately be the basis of our financial system.

For the present, however, I agree with a remark of ex-Comptroller Dawes, in his recent address at Kansas City, in opposition to asset currency, "What we want now is a currency that will help us out in times of panic," and for this reason, I desire to discuss briefly the establishing by legislation of an effective

EMERGENCY CIRCULATION.

Many plans for an emergency currency have been suggested, but I will discuss but one. Hon. C. A. Pugsley, of New York, a member of the Executive Council of the American Bankers' Association and also a member of the Committee on Banking and Currency in the House of Representatives, introduced last January a bill, being No. 7950, providing for the incorporation of clearing-houses, defining and regulating their operations; and providing a clearing-house currency secured by pledge of commercial assets and the responsibility of the associated banks, with due provision for the circulation and redemption of such currency when issued. Should this measure become a law, I am firmly convinced it would more than justify the arguments of its advocates and that the danger of financial panic and monetary disturbances would be reduced to a minimum.

A great argument in favor of this bill is that it has but one object, is entirely disconnected from all debatable questions, and is unquestionably for the public benefit and not for private profit. The financial center of our country to-day, and as most Americans firmly believe the ultimate financial center of the world, is New York. The volume of business in this country especially of late years, since the era of consolidation has set in, has grown so rapidly that the banks of New York city, even with their enormous resources, are not able to sustain monetary stability.

It is a common thing, especially in periods of speculative movements, for the rates of interest on call loans in New York to advance fifteen or twenty per cent., as witness last December, while in panics in the stock markets the rates advance rapidly to figures that compel the sacrifice of millions of securities and cause loss, consternation and dread in almost every hamlet in the land.

Even under the most careful management of the ablest financiers of the country, who

are at their head, it is evident that the New York city banks have too small a margin of surplus to meet the demands that may be made upon them from the various sections of the country.

In this connection it should be borne in mind that the ordinary understanding of the word "reserves" as being the idle cash held by the banks, is true only in a very limited sense.

In a true sense every business concern has its separate reserve, which is represented by its bank balances and quick securities.

Bank balances are, in fact, the reserves of the country. In order to fully comprehend how precarious is the monetary situation of the United States, it is only necessary to consider the possible results, if the country banks, should as they are permitted under the National Bank Act, immediately loan out from seventy-five to eighty-five per cent. of these reserves, and then send one-half or two-thirds of the remaining cash to reserve agents, who in turn loan out seventy-five per cent. of the cash reserve sent to them, and hold the balance, not as a special fund for the benefit of the banks whose reserve it is, but merge it into their common reserve on all their general deposits, having at the same time no way of repaying the reserve thus confided to them, if an emergency arises, except by forcing liquidations on the borrowing public. The banks hold the reserves of the public ostensibly on demand and then put eighty per cent. thereof beyond their call.

It is evident that this practice is a distinct weakening of the banking situation. If there is no method by which the banks can get back this money, except by distressing borrowers, a simple calculation will show that should all the deposit reserves be called for, at one time, by out-of-town banks, the banks in the reserve cities would be left with little more than five per cent. in cash on their remaining deposits of almost three-quarters of a billion of dollars. In times of financial stress or great monetary disturbances the New York city banks can, however, practically suspend payment, as they did in 1893, by refusing to honor orders for currency from their country correspondents, and at the same time strengthen their own position by depositing part of their assets with the clearing-house, and securing clearing-house certificates for settlement of balance, among themselves: thereby creating what, if it is not illegal currency, is a substitute for currency, which puts them in an advantageous position to realize unusual profits by putting up the market rates for bank credits.

I do not intend to adversely criticise this action of the New York banks in 1893; on the contrary I am firmly convinced that it was the wisdom of this action, and the management thereof by the clearing-house committee, at the head of which was the late honored Frederick D. Tappen, that saved this country from what threatened to be absolute financial destruction. I only wish to call attention to the weaknesses of our present financial system, that render such makeshifts necessary.

A currency that rests entirely upon a deposit of Government bonds lacks every element, except that of safety, that a properly adjusted scientific currency system should possess. Instead of being flexible, elastic, easily adapting itself to the wants and necessities of trade and commerce, expanding freely when necessary and contracting as readily and naturally when it flows back to its source of issuance, our currency is simply a substitute for, and not an additional assistant to, coin; while the entire provisions of the National Banking Act, regulating the issue of currency, prove but a lot of broken reeds to lean upon in times of financial stress.

The banks of the interior are absolutely unable under the present laws to even adopt among themselves the measures taken by the New York bankers in times of panic. In 1893, when they were depleted of their resources and cash balances, by reason of heavy and unwonted withdrawals by thousands of frightened depositors, instead of being able to discharge their usual and most important function, that of aiding the worthy merchant or manufacturer by a grant of credit, they were forced to add to the intensity of the situation, not only by refusing credit, no matter what collaterals were presented, but in order to meet the heavy demands upon themselves, by reason of the abnormal withdrawals, were compelled to contract credits already given, call in loans, no matter how well secured, whereby securities were sacrificed in untold sums, equities entirely wiped out, solvent institutions, individuals and companies forced to the wall by hundreds, and a period of widespread distress established, which it has taken years to overcome.

The remedy proposed by H. R. Bill No. 7950 is simple, logical and would in my opinion prove most effective. It simply proposes to provide by law for the incorporation of clearing-houses, with power to issue a second emergency currency; or, in other words, to legalize action such as was taken by the New York city banks in 1893, and to extend the same power to all sections of the country. Clearing-houses incorporated under a Federal law would be authorized to receive bank assets from their bank members, and advance seventy-five per cent. of their estimated value in notes created for the purpose, whose credit could not be questioned from Maine to Alaska, because the notes would be receivable at any clearing-house in the land, and there would be a trustee to act for the noteholder, who would have in

his possession ample collateral security, and whose faithfulness to his trust could not be questioned. That trustee is the clearing-house. This not an inflation, or the creation of capital, for that existed before in the security, but it is a change of its form into a circulating medium, on the assumption that when the duty is performed by the circulating notes, the borrower will have disposed of enough of property in the ordinary course of his business to secure the cash needed to retire the notes, and save the interest or tax placed upon them.

Should this bill become a law, there would no longer be a necessity in times of panic for financial institutions to contract loans and refuse credit. Solvent institutions would at all times be able, not only to meet all demands of depositors, but to extend credit and expand loans, when necessary, while the terms of the bill are so nicely adjusted that the expansion thus made would naturally and readily contract when the emergency that called it into being had passed.

The country is now in a highly prosperous state with its legislation in the hands of wise and safe men. With confidence re-established, money that for years was withdrawn from circulation and hidden in the ground or in safe-deposit boxes, has again returned to its wonted uses and the banks with overflowing vaults can and do readily extend all deserved credit. The present is unquestionably the proper time to prepare for a contingency similar to 1893, and great, therefore, is the duty laid upon the bankers of this country and our national lawmakers to secure the enactment of legislation that will enable our country to escape forever from the horrors of a similar panic, by providing fully for such emergencies. With the amount of capital actually at the disposition of our financial institutions to-day, credit could, in the event of the adoption of the plan provided in H. R. Bill No. 7950 be wisely, safely and beneficially extended to at least twice or thrice the present extent and thus made available for the development of the country's resources to a degree that would astound, quite as much as it would aid, the entire community.

I recognize the fact that the bankers of this country are busy men, with but little time to devote to the examination of airy financial imaginings or visionary and speculative reforms; but a measure that has already received the unqualified approval of many of our most eminent financiers, is worthy of receiving from every banker in the country, at the least, a most earnest, thorough and thoughtful examination. I am firmly convinced that had this bill been a law in 1893 there would have been no panic.

Prominent members of Congress have again and again stated that if the bankers of the country would unite in favor of some one financial measure, and give it their undivided and unwearied support, there would be no trouble in securing its enactment. That being the case they should be willing to give the time necessary to examine thoroughly every such measure submitted to Congress, so that, if possible, a united effort might be brought about in favor of the best legislation proposed and the full weight of their influence extended to secure its passage. No matter how busy the bankers may be, they owe it to themselves, the institutions and depositors hey represent, to take up the careful consideration of these measures, in order that as far as legislation may accomplish the much-needed reforms in our financial system, they may be secured.

Alvah Trowbridge, of New York, ex-president of the American Bankers' Association, spoke in part as follows:

"I have found that bankers are generally men whose friendship is desirable, and bankers' conventions most satisfactory occasions for the cultivation of the pleasanter things in life.

The man who is stern and cautious behind his own counter lest he lose his chance for profit or be caught in the trap of loss, comes up here to look at other men's views and listen to other men's theories, and we weave them as a warp upon the woof of our own, into patterns that we never planned or thought of; so, insensibly, we weave together our patterns into the great fabric of social and business life. The bright blue of truth, the red of friendship and the green of memory so brighten and cheer our fabric of life that even our business rolls more smoothly and with less disturbing jar.

Bankers' conventions are mostly free of political discussions, and bankers themselves, with the few notable or notorious exceptions, find banking more congenial and more profitable than politics. There is a sense in which this is not best, for questions, in which the people are interested, are left to be discussed and decided by professional politicians, either for their own gain or the gratification of their own ambitions, upon which the knowledge and opinion of the banker is wiser and safer.

You never find bankers, as a class, on the wrong side of a duty or policy, either local or national, but you often miss them when they ought to be found actively interested in politics for the safeguarding of the general good.

It should not be all the life of a banker to make m ney. Money-using is a greater responsibility than money-getting. To be of service to the world is a higher mission than loaning

money. Truth is better than gold, and the true man has a better thing to do than receive deposits and pay checks.

I do not deprecate the need of a true man in this capacity, but if a banker is the best man in his community, he has more to do than his office duties. His circle of good influence is wider than a dollar. Is he a strong man? He shall defend the rights of the weak. Is he wise? He shall teach and guide the ignorant. His wisdom, his strength and his influence for the best, he shall use as capital with which to serve and enrich his neighbor for his neighbor's good. You know what I mean, that in the wider circles of political and social life the influence of the banker shall exert itself in teaching and guiding public opinion into the truest and manliest ways.

You would not default in your obligations; neither shall your State. You would not enrich yourself at your neighbor's unjust loss; neither shall you stand by and see it done by another. Political wrong is just as wrong as any wrong, and the man who is good enough to be a banker must stand against it always and everywhere.

Can any man be elected to the Legislature in this State if the bankers solidly oppose him? Never! Can bad men be elected to Congress from this State or any other State if the best men in the State oppose him? Not while the world stands! Then do we have unworthy men in public stations? Why? Is it because the bankers have been indifferent? Is it possible even that the bankers have been on the wrong side of politics, on the side of dishonor? I am not speaking of political parties. There are good men and true in each party, enough good men to fill all the places, and there will always be good, true men in all the offices if the bankers want it so.

If it is proper for Congress to pass measures for currency reform, why are not men elected to Congress who will do the proper thing? If it is proper that in the far East this Government shall put down anarchy and teach the ignorant natives the use of government, why is it that that most magnificent soldier, Gen. Chaffee, is besmirched and slandered, and the finest army that any government ever sent anywhere villified and lied about in a place where we are supposed to make laws?

Is it proper that the canal shall be built across the Isthmus? Why don't we have it done?

You will answer that men don't all think alike. True, but what is Congress doing?

Don't misunderstand me as advocating in this convention any political measures. I only plead for truth, that you shall put no man into a position to govern a community, or State, whose integrity is not up to the standard for services in your bank.

I had the great honor to preside at the latest convention of the American Bankers' Association in Milwaukee last October, where this great State was represented by a member of our executive council, my good friend, Mr. Kauffman, of Tacoma, in an address which may read well, but was so delightful to listen to as to be counted one of the great features of the convention. I was proud of him that day, and prouder of his great State, which he described in such glowing rhetoric. We had three other notable addresses there. One by Hon. Lyman J. Gage, then Secretary of the Treasury, now President of the United States Trust Company, of New York; one by Hon. James H. Eckels, former Comptroller of the Currency, now President of the Commercial National Bank, of Chicago, and one by A. B. Stickney, a distinguished and successful railroad magnate. Their subjects were: "The Treasury and the Currency," "Asset Currency," "Branch Banking."

These are easy subjects to argue, but when will they be settled? I could talk on my side of them until you are weary, and I could advise you and every State banking convention to give at least one day to the discussion of them, until the best points of each are brought to light, and I should like nothing so much, if time would permit, as to listen to such a discussion.

They are all serious questions for bankers, not because you are the only persons interested, but because you represent the public, for whom they are vital. Each of them has two sides. None of us may say 'my side is the only side' until we hear from our neighbor, who may look on another side. A discussion on either of these subjects will be of great value, not only to this body of bankers, but to bankers of other States. Your State is not so young that you lack valuable knowledge gained from experience. Let your representatives know your discussions and your decisions; let the public know; make the weight of your decisions very heavy upon the minds and consciences of those men whom you have put in positions of responsibility. Let them sound like instructions, or orders, if you please. Let these men know that bankers are the best men, their wisdom the higher, their decisions truth—truth which may be put down, but shall rise again and shall stand through all eternal years."

George Donald, President of the Yakima National Bank, North Yakima, spoke on "Irrigation." He said, in part:

"It is only but little more than two decades ago since the Yakima valley was almost completely a wilderness of sage brush, inhabited by the festive jackrabbit and his natural en-

emy, the coyote. To-day it is the seat of thousands of happy homes, with room for thousands more. There is as yet within the confines of Yakima county, which has an area nearly as great as the State of Connecticut, only about 60,000 acres of land in actual cultivation, while the amount of land that we have that is susceptible of irrigation is fully ten times that figure. And when I tell you that with only this comparatively small amount of land in use our people in 1901 produced crops to the aggregate value of $2,000,000, and gave to the Northern Pacific road at North Yakima a greater volume of agricultural business than any other point on its line, you may readily perceive what the future may have in store for us when the life-giving water shall be able to reach all our desert lands, and with its magic touch kiss the virgin soil into fruitfulness.

That splendid mountain chain, the Cascades, is nature's storehouse from which we draw our supply of the cooling liquid that converts gradually the desert into orchards and gardens, hop fields, potato fields and alfalfa meadows. The snow of the mountain fastnesses, gradually melting under the benign influence of Old Sol's rays, gives to us in great abundance the water necessary for farming operations and as it is required. The supply, while great, is not inexhaustible, and should be, and hereafter doubtless will be, better protected for the welfare of the thousands of people below whose only reliance it is.

The Federal Government, through the recent passage by Congress of a national irrigation measure, is at last beginning to show a disposition to aid the arid States of the West in this highly necessary and glorious work of reclamation, and well it might, for it is well within the province of the general Government so to do. Public money expended in this way, if spent judiciously, cannot fail to yield the most splendid results in largely increasing the productive capacity of the nation, besides furnishing the opportunity to countless thousands in the future to make happy homes. The Government spends many millions annually, much of it perhaps uselessly, in dredging rivers and harbors for interested people, and we feel, therefore, that we have the right to ask in such a worthy cause for a small pittance from the Government purse.

Permit me to say in conclusion that none of us have but a faint conception of the possibilities that lie in irrigation. Strange as it may seem to some people, it is not a new device for aiding nature. On the contrary, it is very old. It is more ancient than the Golden Fleece or Roman Eagle; in fact, it antedates all written history. Irrigation made of both Babylon and Egypt the mighty empires that they were, each in turn mistress of the known world and all-powerful. Even in our own hemisphere for perhaps thousands of years before the advent of the Caucasian race irrigation was practiced by the natives as a means of subsistence, and the outline of ancient ditches is still visible to the eye in portions of the Southwest. Nor need I stop with these instances alone, to illustrate the extent to which irrigation has been practiced in the past. Astronomy teaches us also that irrigation is most probably the use that is made of the great canals that are so plainly visible on our sister planet of Mars. So you will perceive, gentlemen of this convention, that irrigation is an ancient practice handed down to us from antiquity and one that has been the cause of much of the world's progress."

At the conclusion of Mr. Donald's address there was a general discussion of the Fowler Currency Bill, participated in by Hon. H. W. Corbett, of Portland, Oregon; E. T. Coman, of Colfax; W. L. Adams, of Hoquiam; E. O. Graves, of Seattle, and P. C. Kauffman, of Tacoma.

The second day of the convention was occupied chiefly in excursions and other entertainments provided by the bankers of Seattle.

On the final day the programme included a number of reports, and papers by Edward O. Graves on "The Fishing Interests" and P. W. Ross on "Sheep, Cattle and Dairy Industries."

The following resolutions introduced by P. C. Kauffman, of Tacoma, were unanimously adopted.

Resolved, That the Washington State Bankers' Association express its most hearty approval of the work of the American Institute of Bank Clerks and earnestly recommend the formation of chapters in our principal cities.

Resolved, That the Washington State Bankers' Association earnestly urge upon Congress the enactment of legislation that will unequivocally establish the supremacy of the gold standard, provide for the early retirement of the greenback and do away with the present sub-Treasury system; and be it further

Resolved, That without committing ourselves to the support of the Fowler bill or any of the currency measures now pending before Congress, we approve of the efforts now being made to so amend our present banking system as to provide a thoroughly scientific system of currency that will prove responsive to the demands of trade and commerce, expanding

naturally and freely when necessary and contracting just as readily when the emergency that called it forth has passed.

Whereas, The American Bankers' Association has never held a meeting in the Pacific Northwest; and

Whereas, we feel that the rapidly growing financial and commercial importance of this section of the United States would make a convention here of that organization of most peculiar interest and value; therefore be it

Resolved, That the Washington State Bankers' Association most cordially and earnestly invites the American Bankers' Association to hold its convention for 1903 in the city of Seattle; and be it further

Resolved, That the delegates and representatives from the Pacific Coast States to the convention of the American Bankers' Association at New Orleans this year, be requested to present these resolutions and use their utmost endeavor to secure a favorable reception of this invitation.

These officers were chosen, and the convention then adjourned to meet next year at Whatcom:

President—Hon. Miles C. Moore, President Baker-Boyer National Bank of Walla Walla.

Vice-President—W. E. Schricker, President Skagit County Bank of LaConner.

Secretary—P. C. Kauffman, Vice-President Fidelity Trust Company, Tacoma.

Treasurer—W. D. Vincent, Cashier Old National Bank, Spokane.

Members of the Executive Council—C. J. Lord, President Capital National Bank, Olympia; H. Latimer, Manager Dexter Horton & Co., of Seattle; W. L. Adams, President First National Bank of Hoquiam; J. P. M. Richards, President Spokane and Eastern Trust Company, Spokane; and A. F. Albertson, Vice-President National Bank of Commerce, Tacoma.

Delegate to American Bankers' Convention—James D. Hoge, President First National Bank of Seattle.

MICHIGAN BANKERS' ASSOCIATION.

The convention of the Michigan Bankers' Association was held June 5, 6 and 7 aboard the steamer City of Mackinac, John T. Shaw, Vice-President and Cashier of the First National Bank, Detroit, presiding. After the customary addresses of welcome, President Shaw delivered his annual address. He was not ready, he said, to assent to the proposals for changing the system of National bank notes based on bonds—a system which had at all times assured a perfectly safe currency.

A. J. Frame, President of the Waukesha (Wis.) National Bank, spoke in opposition to branch banks and asset currency. He gave figures to show that in a period of sixty years the liabilities of failed banks in Great Britain had been greater than in the United States. The Fowler Currency Bill he characterized as a measure calculated to revolutionize and monopolize the banking system of the United States. For an emergency circulation, Mr. Frame favored the legalization of clearing-house certificates.

Edwin Goodall, of the Bankers' Money Order Association, presented a paper explaining the successful working of the association's plan for issuing money orders through the banks.

Secretary Fred. E. Farnsworth read his report, which showed a total membership of 258—a net gain of twenty-two since the previous report.

Clay H. Hollister, Assistant Cashier of the Old National Bank, Grand Rapids, gave an account of the operations of the plan for providing fidelity and burglar insurance to the banks belonging to the association. This insurance is furnished by contract with two New York companies, a minimum rate being given, and the secretary of the association is appointed an agent of the surety companies. He is allowed a commission, which reverts to the association. Mr. Hollister said that the

plan was already working successfully, and that in the near future even better results might be confidently hoped for.

E. A. Sunderlin, auditor of the State Savings Bank, Detroit, spoke on "The State Banking Law." He described the dual system of banking prevailing in the State which permits the same bank to do both a commercial and savings business. He said that when the law went into effect thirteen years ago, "there were eighty State banks, with an aggregate capital and surplus of $7,838,000, with deposits of $31,000,000 and loans of $30,000,000. At the date of the last report to the Commissioner of Banking, made April 30, 1902, there were 221 banks, with an aggregate capital and surplus of $17,857,000, deposits of $138,200,000, loans of $123,000,000, showing a net gain of 141 banks, and an increase in capital and surplus of $10,500,000, an increase in deposits of $107,000,000, and in loans of $92,000,000."

T. C. Sherwood, President of the Plymouth Savings Bank, and ex-Banking Commissioner, spoke on "Injudicious Banking—is the Law Responsible." He thoroughly reviewed the banking laws of the State, and in conclusion expressed the opinion that they needed but little change. Whatever difficulties existed, he thought, could be remedied by fewer and better banks. Mr. Sherwood pointed out that the banks of Michigan were generally well managed, and that the per cent. of failures relative to the volume of business was small.

The following officers were elected:

President—George B. Morley, President Second National Bank, Saginaw.

First Vice-President—William Livingstone, President Dime Savings Bank, Detroit.

Second Vice-President—Orrin Bump, President Old Second National Bank, Bay City.

Treasurer—H. V. C. Hart, Cashier Lenawee County Savings Bank, Adrian.

Secretary—Fred. E. Farnsworth, Cashier Union National Bank, Detroit.

MINNESOTA BANKERS' ASSOCIATION.

The bankers of Minnesota held their annual convention at Crookston, June 24, 25 and 26. On the latter date the bankers went on an excursion to Winnipeg, Man.

Among the addresses delivered at the convention was one on "Trust Companies" by E. A. Merrill, President of the Minnesota Loan and Trust Company, Minneapolis. A paper was read by S. R. Flynn, President of the National Live Stock Bank, Chicago, in which he criticized some of the suggestions put forward for reforming the currency and banking system. THE BANKERS' MAGAZINE hopes to print the substance of Mr. Flynn's paper in a subsequent issue.

Addresses were also delivered by Edwin Goodall, C. B. Mills and W. T. Fenton, of the National Bank of the Republic, Chicago.

At the close of the convention J. W. Wheeler, Cashier of the First National Bank of Crookston, was elected president; A. C. Anderson, Cashier of the St. Paul National Bank, was made vice-president; Joseph Chapman, Jr., Assistant Cashier of the Northwestern National Bank, Minneapolis, secretary, and George H. Prince, Jr., treasurer.

BANKS IN IOWA.—On May 9 the Auditor of State issued a statement of the condition of the State and Savings banks of Iowa at the close of business April 5 last.

There are 293 Savings and 225 State banks in the report, and the reports show that the deposits have increased over $13,000,000 since December 10 last, and there has been a substantial increase in the capital stock invested in these banks.

BANKING AND FINANCIAL NEWS.

This Department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—The Bank of the Metropolis has filed certificates for an increase of its capital from $300,000 to $1,000,000 and for an increase in the number of its directors from fifteen to twenty.

—The Guardian Trust Company will increase its capital from $500,000 to $1,000,000 and make a like increase in its surplus.

—Since the increase of the capital of the National City Bank to $25,000,000, that institution reports the following: capital, $25,000,000; reserve liability of shareholders, $25,000,000; surplus and profits, $15,000,000; total, $65,000,000 for the protection of those dealing with the bank.

—E. C. Converse, a member of the executive committee of the United States Steel Corporation, has been elected President of the Liberty National Bank, succeeding H. P. Davison, resigned.

—David C. Grant succeeds Robert C. Lewis as Assistant Cashier of the Lincoln National Bank.

—H. J. Francis has been appointed Assistant Cashier of the Central National Bank in place of Lewis S. Lee, deceased.

—T. P. Kane, Deputy and Acting Comptroller of the Currency, has approved the increase of the capital of the Irving National Bank from $500,000 to $1,000,000.

—At a meeting of the directors of the Hide and Leather National Bank, June 30, the name of the bank was changed to the National Bank of the United States, and the following new directors were chosen: Levi P. Morton, Wm. C. Whitney, Richard A. McCurdy, Frederick Cromwell, Thomas F. Ryan, Jacob H. Schiff and George F. Baker. The officers were continued without change. It is reported that the capital will be largely increased.

—It is reported that the Corn Exchange Bank has acquired control of the Union Square Bank and will in the future operate it as a branch.

—John R. Wood was recently appointed Assistant Cashier of the New York Produce Exchange Bank.

—James S. Bearns, President of the Kings County Savings Institution, who is eighty-five years of age, and who has been President of the bank since 1865, retired from that position on July 1. A dinner was given to Mr. Bearns at the Hanover Club on the evening of June 19 and the trustees presented him a set of engrossed resolutions.

—Baron Yei-ichi Shibusawa, President of the Tokyo Bankers' Association, Chairman of the Tokyo Bankers' Clearing-House, President of the Dai-ichi Bank, and one of the leading financial men of the Japanese Empire, arrived in this city on a visit, June 13.

—The Bowery Savings Bank and the Bank for Savings recently announced that the dividend rate for the first six months of 1902 would be at the rate of 3½ per cent. per annum instead of four per cent. at the previous dividend period.

—On June 19 Henry P. Davison resigned as President of the Liberty National Bank to become Vice President of the First National Bank.

Mr. Davison was born at Troy, Pa., in 1867, and after receiving an education, he entered a banking house in his native town, and later became a bookkeeper in a bank at Bridgeport, Ct., and when the Astor Place Bank of New York was organized he was made receiving teller of that bank. In 1894 Mr. Davison was elected Assistant Cashier of the Liberty National Bank; in 1895 he was elected Vice-President and soon after President. Mr. Davison is only about thirty-five years of age, and his rapid promotion to such a high station is evidence of unusual ability.

—Ernest Iselin, August Belmont, Cornelius Vanderbilt and others are reported as incorporators of the new Windsor Trust Company.

—The National Bank of Commerce reports to the Comptroller of the Currency that since its organization as a National bank it has paid to its shareholders in dividends the sum of $22,300,000.

—The directors of the Morton Trust Company at a recent meeting considered the report of the company's earnings for the past six months and adopted a resolution to begin payment of dividends at the rate of twenty per cent. a year, making them quarterly. Hitherto the company has, since it took over the business of Morton, Bliss & Co., one of the oldest and most eminent national and international banking houses, devoted its earnings to building up additional surplus. Its last annual report showed, in addition to its capital $2,000,000 and surplus $2,000,000, undivided profits of $2,562,194. The total deposits, according to the last annual report, were $52,380,922. The business of the company has increased each six months since its organization.

—Improvements costing $100,000 will be made to the German Savings Bank, at Fourteenth street and Fourth avenue. These will consist of one entire story additional and extensions of fifty feet on Fourteenth street and fifty feet along Fourth avenue. The building will be entirely of granite, and the size of the plot, when the alterations are completed, will be 160 by 150 feet.

—W. L. Moyer, Vice-President of the Western National Bank, was elected President of the National Shoe and Leather Bank on July 2, succeeding John M. Crane, who becomes Vice-President.

Mr. Moyer was for several years Assistant Cashier and a director of the American Trust and Savings Bank, Chicago, going from there to Butte, Mont., to become managing partner of the firm of Daly, Donahoe & Moyer, and later coming to New York to become an officer of the Western National Bank. His banking experience, however, goes back further than either of these positions. Mr. Moyer was formerly secretary of the Illinois Bankers' Association and is at present a member of the executive council of the American Bankers' Association.

—On June 14 the following circular was issued by the New York Clearing-House Association:

"Some misunderstanding having arisen as to the true intent of the circular of the clearing-house committee, issued February 3, 1902, the committee desire to state that the ruling therein given was for the purpose of checking unauthorized use of the clearing-house privileges by parties who adopted methods of evading the responsibilities regularly assumed by non-member institutions. In the interest of the valuable franchise that belongs to every member of the association, they feel that all evasions and irregular methods should be discouraged, and they ask the co-operation of each individual bank to that end. The attention of members is again called to the circular issued by this committee February 3, 1902."

The circular issued on February 3 follows:

"The attention of the New York Clearing-House Committee has been called to the fact that items drawn on banks not affiliated with the New York Clearing-House and stamped 'payable if desired at —— bank, New York,' are being paid through the clearing-house. The committee have decided that banks paying such checks through the exchanges are acting contrary to the provisions of the constitution covering relations between members of the association and others, and have directed that notice be given of the infringement. By order,

W. A. NASH, *Chairman Clearing-House Committee.*
WILLIAM SHERER, *Manager.*"

NEW ENGLAND STATES.

Connecticut Bankers' Association.—At the meeting of the Connecticut Bankers' Association, held at Bridgeport June 20, brief addresses were made by Congressmen Hill and Fowler. The following resolutions were passed:

"*Whereas*, Two-thirds of the banks in Connecticut have agreed in writing to remit for all checks drawn on them and sent through New York Clearing House, or through their New York correspondents, provided checks on them are accepted at par by New York banks.

Resolved, That the subject be referred to the executive committee of the Connecticut Bankers' Association, with authority to take such action as they may deem best."

Resolved, That in view of the statement of the Comptroller of the Currency in his last report, that "in the near future it will have to be determined by Congress what shall be done with the National banks and with their circulating notes, and what changes are to be made with the various kinds of paper money now in circulation."

We recommend to the American Bankers' Association a careful consideration and discussion of the principles involved in the Fowler bill, at their annual meeting in November next, and urge upon said association the appointment of a committee of one member from each State to co-operate with the Banking and Currency Committee of the House of Representa-

tives and the Finance Committee of the Senate toward securing such legislation as shall be for the welfare of the whole country.

These officers were elected: President, R. W. Cutler, President Hartford Trust Company; Vice-President, A. J. Sloper, President New Britain National Bank; secretary, Chas. W. Gale, Cashier Thames National Bank, Norwich; treasurer, Robert W. Foote, Cashier National Tradesmen's Bank, New Haven.

Maine Bankers' Association.—The third annual meeting and banquet of the Maine Bankers' Association was held at the Hallowell House, Hallowell, Me., on the evening of June 13. Addresses were made by the mayor of Hallowell and by several members of the association, and the following officers were elected: President, Charles G. Allen, Cashier Portland National Bank; Vice-President, Wm. D. Mussenden, Cashier First National Bank, Bath; secretary, John R. Gould, Hallowell; treasurer, Geo. A. Safford, Cashier Northern National Bank, Hallowell.

MIDDLE STATES.

Philadelphia.—The Manaynuk National Bank now occupies its substantial and attractive granite building recently put up at the corner of Main and Levering streets. All the interior furnishings, vaults, etc., are in keeping with the handsome structure, and will afford the best of facilities for the safe and convenient despatch of business.

The officers of the Manayunk National are: President, Edward H. Preston; Vice-President, Leander M. Jones; Cashier, R. Bruce Wallace.

—A compilation made from the bank statements of April 24, 1901, and April 30, 1902, shows that the deposits of the National banks have increased from $226,572,230 to $240,201,162, and the deposits of the trust companies from $229,803,929 to $254,695,939.

—Richard H. Rushton, Vice-President of the Fourth Street National Bank, recently entertained about 120 officers and employees of the bank at his country home near Upsal Station, Germantown.

Among those present were B. M. Faires, Second Vice-President; E. F. Shanbacker, Cashier; F. Z. McLear, Assistant Cashier, and F. G. Rogers, Manager of the foreign exchange department.

Upon arriving at the house the guests were greeted by Mr. and Mrs. Rushton, Miss Rushton, Mrs. and Miss Bacon, Mr. and Mrs. William Jay Turner, and Mr. William D. Gill, Jr., of Baltimore.

The gathering was entirely informal and everybody was made to feel at home. The large party was soon scattered over the house and the large lawn back of it, indulging in various games.

After partaking of refreshments the bank's Mandolin Club furnished music, and solos were sung by a number of the clerks.

Mr. Rushton was toasted, and replied that he was happy to have the clerks with him and that he enjoyed their company. This was responded to by Mr. Faires, who voiced the sentiment of all present when he said that Mr. Rushton was the best loved bank officer in the United States.

—There has been a reorganization of the German-American Title and Trust Company, and it is expected that a large new building for the company will be erected shortly.

—On June 17 William H. Thompson was appointed Assistant Cashier of the Union National Bank.

—It is proposed to change the name of the Tacony Saving Fund, Safe Deposit, Title and Trust Company to the Tacony Trust Company.

Pittsburg.—Stockholders of the Diamond National Bank voted recently to increase the capital of the bank from $200,000 to $400,000, the new stock to be sold at $400 a share, which will bring the surplus up to about $1,250,000.

—Directors of the Mechanics' National Bank have approved a plan for consolidating that bank with the First National.

—It is reported that the Fort Pitt National Bank has increased its capital from $200,000 to $1,500,000, and that it will absorb the Fourth National and the Fifth National.

Baltimore.—James T. Woodward, President of the Hanover National Bank, New York; James H. Eckels, President of the Commercial National Bank, Chicago, and Charles R. Spence, Second Vice-President of the Mercantile Trust and Deposit Company, Baltimore, were elected directors of the First National Bank, of this city, July 1. The capital stock of the bank was also increased from $550,000 to $1,000,000.

Waynesburg, Pa.—An increase from $50,000 to $100,000 is reported in the capital of the American National Bank, the undivided profits being $15,000.

Buffalo, N. Y.—Richard H. Danforth, for many years an Assistant Cashier of the Manufacturers and Traders' Bank, has resigned, owing to ill health. Henry W. Root and Walter Aspinwall have been appointed Assistant Cashiers. Mr. Root has been in the bank for twenty-six years.

—On June 18 the capital of the Marine National Bank was increased to $1,500,000. J. H. Lascelles, C. W. Goodyear, W. H. Gratwick, W. H. Hotchkiss, Walter Scranton, Moses Taylor and Cornelius Vanderbilt are new directors. D. O. Mills, Adrian M. Iselin, Henry H. E. Taylor and R. Heber Bishop are new stockholders.

SOUTHERN STATES.

Savannah. Ga.—The Germania Bank has purchased a lot 45 by 90 feet on which it will put up an eight-story building at a cost of more than $125,000.

—A new five-story building is to be erected at Liberty and Montgomery streets, to be used for a branch of the Citizens' Bank.

—The Central Railroad has sold its Bay-street building to the new Savannah Trust Co.

St. Francisville, La.—The Bank of West Feliciana was organized January 1, 1895, and since that date has earned a surplus of $17,500 besides paying $15,250 in dividends. S. McC. Lawrason is President; Edward J. Buck, Vice-President; J. R. Matthews, Cashier; C. M. Lawrason, Assistant Cashier.

Bankers Incorporate.—In order that it may have a legal standing, the South Carolina Bankers' Association recently applied to the Secretary of State for a charter.

Meridian, Miss.—On June 10 O. L. McKay, agent for the Mobile and Ohio Railroad Co., resigned his position to become Vice-President of the Meridian National Bank.

Mr. McKay has been in the employ of the railroad company since 1879, and had worked his way up from a subordinate position.

Natchez, Miss.—On July 1 the stock of the First Natchez Bank was increased from $100,000 to $250,000. A. G. Campbell is President and R. Lee Wood, Cashier, of this highly successful institution.

New Orleans.—Eugene Buhler was recently elected President of the Teutonia National Bank and C. T. Patterson, Vice-President.

Mr. Buhler is the senior member of the Eugene F. Buhler Co., Ltd., operating two large wholesale and retail hardware stores. He is a native of New Orleans.

Mr. Patterson has been successfully engaged in business in this city for the past eighteen years.

Chattanooga, Tenn.—The business of the Third National Bank was recently consolidated with the Chattanooga National Bank.

WESTERN STATES.

Chicago.—N. E. Barker, President of the First National Bank, Birmingham, Ala., recently resigned to become Vice-President of the Continental National Bank of this city.

—The American Trust and Savings Bank now has $3,000,000 capital and $1,000,000 surplus.

—The Bankers' National Bank, of which ex-Comptroller Edward S. Lacey is President, will increase its capital from $1,000,000 to $2,000,000, offering the new stock to present shareholders at 150, and will also increase the dividend rate from five per cent. semi-annually to six per cent. quarterly.

—Former Comptroller Charles G. Dawes has completed the organization of the Central Trust Company, which recently opened for business with $4,000,000 capital and $1,000,000 surplus. Officers of the new company are: President, Charles G. Dawes; Vice-Presidents, W. Irving Osborne and A. Uhrlaub; Trust Officer and Secretary, Lawrence O. Murray; Cashier, William R. Dawes; Assistant Cashier, Charles T. Wegner: General Counsel, Max Pam.

Among the large New York stockholders are Geo. F. Baker, Charles S. Fairchild, Geo. W. Perkins, Charles M. Schwab, New York Security and Trust Co.; James Stillman, Jacob H. Schiff and F. A. Vanderlip.

—On July 1, Chicago banks issued $6,200,000 of new stock and delivered the certificates to their stockholders.

The First National Bank issued $3,000,000 new stock and transferred $1,000,000 from the profits to the surplus account.

The National Bank of America, the largest new bank, issued $2,000,000 stock at $125 a share, putting $500,000 to surplus account.

The National Bank of the Republic gave out $1,000,000 in certificates for $1,500,000, transferring the extra $500,000 to surplus, and the Western State Bank added $200,000 to its capital.

—The State Bank of Chicago was recently elected a member of the Chicago Clearing-House.

—A. Uhrlaub resigned as Assistant Cashier of the Chicago National Bank on July 1.

—Directors of the Chicago Savings Bank have inaugurated what they designate as the "express system" of receiving deposits.

The bank has made arrangements with the offices of express companies throughout the city by which any one may open an account with the Chicago Savings Bank at these branch offices. Deposits may be made and a certificate issued therefor.

Altogether, the bank has about one hundred such places for receiving deposits. By such means a factory employee, for example, can walk outside the factory door and deposit wages or salary with the Chicago Savings Bank through the office of an express company. It is thus easy to make deposits, though the money cannot be drawn out except at the bank in the usual manner.

—Announcement is made by the Chicago National Bank that it is now issuing bank money orders in sums of $50 or less, payable at par, on a list of thirty-three important cities located in different parts of the country. The bank also announces that it makes no charge for exchange on these orders.

—The Board of Assessors finds the full cash value of stock of National and State banks in Chicago aggregates $44,317,900.

—Two new banks recently opened for business in this city. One is the National Bank of North America, organized by I. N. Perry with a capital of $2,000,000 and surplus of $500,000. Mr. Perry, the President, resigned the presidency of the new Southern Trust and Banking Company of New Orleans to form the bank. On its first day the bank had deposits of $3,000,000. It is a correspondent of the Chase National Bank of New York.

The other new bank is the Colonial Trust and Savings Bank, a State institution, with a capital of $200,000, and surplus of $50,000. It takes over the large mortgage loan business of Rose & Co. It is a correspondent of the National City Bank of New York.

—H. H. Hitchcock has been elected an additional Vice-President and Edward Dickinson an additional Assistant Cashier of the First National Bank.

St. Paul, Minn.—The favorable condition of St. Paul's National banks is shown by the abstract issued by the Comptroller of the Currency, taken from the returns of National banks of date April 30.

St. Paul occupies an enviable position in the matter of increase of bank deposits, the comparison between 1892—one of the biggest and best business years the country has known—and the current year shows an increase of seventy per cent. in deposits, the total for 1892 being $14,512,518. as against $24,780,000 for the present year.

One of the remarkable instances of individual growth is that of the St. Paul National Bank, which shows a gain over the year 1892 of 178 per cent., giving total deposits at the time of issuing the latest statement of $2,425,748. Among the other National banks an increase is shown by each, the smallest being forty per cent.

Buffalo County, Nebraska.—A statement showing the deposits, loans and cash items of each of the banks of Buffalo County, Neb., on June 3, 1902, has been received by the BANKERS' MAGAZINE. On this date the total deposits were $689,616; loans, $584,442, and cash $297,063.

Indianapolis, Ind.—On June 24 the stockholders of the American National Bank voted to increase the capital by $650,000, making the total $1,000,000. The new stock is to be sold at $125 per share, the premium going to the surplus account, making the total $200,000. It had been the intention at first to increase the stock by only $150,000, but the demand for the new shares was so great from present shareholders, and considering it advantageous to make a wider distribution of its stock, it was decided to make the new issue $650,000.

St. Louis.—The National Bank of Commerce has increased its capital stock from $5,000,000 to $7,000,000, the new stock being sold at $400 per share.

—On June 7 the Mechanics' National Bank issued a circular proposing an increase of $1,000,000 in the bank's capital, the new issue of stock being placed at not less than $275 per share. This will make the capital $2,000,000 and the surplus $2,350,000.

Joseph L. Hanley was recently elected Assistant Cashier of the Mechanics' National.

—It is reported that the business of the St. Louis Safe Deposit and Savings Bank has been absorbed by the Mercantile Trust Co.

—The Continental National Bank lately merged with the National Bank of Commerce and the consolidated institutions moved into the new Bank of Commerce building on June 28. The Germania Trust Company has removed into the building formerly occupied by the Continental National Bank.

Detroit.—On June 19 the Commercial National Bank, as reorganized, succeeded to the business of the old Commercial National Bank and the Preston National Bank. The officers are: President, M. L. Williams; Vice-President, Geo. Hendrie; Second Vice-President, Charles L. Palms; Cashier, F. A. Smith; Assistant Cashiers, I. B. Unger and H. H. Sanger. The capital is $1,000,000 and the surplus $400,000.

Milwaukee, Wis.—Bank clearings for this city during the month of May amounted to $30,065,137, as compared with $27,365,202 for the same month in 1901.

Ludington, Mich.—On reopening for business in its greatly enlarged and improved building, the First National Bank issued a neat pamphlet giving a brief history of the bank's progress.

This bank is the successor of the private banking firm of Jas. Blain & Son, established in 1872. In 1880 the business was incorporated as the Ludington State Bank, and in 1882 this institution was changed to the First National Bank, with $50,000 capital. The original charter as a National bank expired this year, and a renewal for another twenty years has been effected.

The capital is now $100,000; surplus and profits, $32,357; deposits, $438,553. Its officers are: President, George N. Stray; Vice-President, Amos Breinig; Cashier, W. L. Hammond; Assistant Cashier, A. D. Woodward.

The remodeled building is fitted throughout with modern equipments,

Winona, Minn.—A tasteful and substantial building was recently completed and occupied by the Second National Bank of this city. It is but one story high, and the entire building will be used for the bank. The front is of buff Bedford sandstone, relieved by columns on either side. Light comes through a glass dome, and the furniture and vault equipments are of the best. Besides the main banking rooms, there are directors' rooms and two coupon rooms, all handsomely fitted up.

The bank was organized in 1871, the original capital being $100,000; it is now $200,000, with $70,000 surplus and profits. The present officers are: President, Wm. H. Laird; Vice-President, S. L. Prentiss; Cashier, A. W. Laird.

PACIFIC SLOPE.

Tacoma, Washington.—The Fidelity Trust Company, of this city, is steadily increasing the volume of its business. According to the published statement of May 31, the total resources of the company were $1,386,566. The capital is $300,000, the undivided profits $30,000, and the deposits $1,056,711. Officers of the company are: President, John C. Ainsworth; Vice-President, John S. Baker; Second Vice-President, P. C. Kauffman; Cashier, Arthur G. Prichard; Assistant Cashier, F. P. Haskell, Jr.; Secretary, George Browne.

Reno, Nevada.—The Washoe County Bank reports that it is increasing its capital from $200,000 to $500,000.

CANADA.

Retirement of Mr. Hague.—Mr. George Hague, for the past twenty-five years General Manager of the Merchants' Bank of Canada, recently announced his retirement from active business.

Mr. Hague is one of the best known bankers in Canada, and is also well known among bankers in the United States. He was born in Yorkshire, England, and began his banking career in the Sheffield Bank Company. He came to Canada in 1851. After being employed in general business, he entered the Bank of Toronto in 1856, and in 1877 became General Manager of the Merchants' Bank.

Failures, Suspensions and Liquidations.

California.—The Bank of Tustin recently went into voluntary liquidation, paying off all depositors.

Illinois.—The Citizens' Bank, a private institution established about six months ago at Winnebago, has decided to go out of business, and has notified depositors to withdraw their deposits.

Missouri—Kansas City.—On June 2 W. Adams, a local attorney, was appointed Receiver of the Guardian Trust Company to succeed the late Judge Francis M. Black.

The Guardian Trust Company was organized by Arthur E. Stilwell to finance the Kansas City, Mexican and Orient Railway. It was placed in a Receiver's hands in November, 1900, upon application of John W. Gates, representing stockholders opposed to Mr. Stilwell.

Rhode Island.—On June 20 the Merchants' Bank, a State institution doing business at Newport, suspended and the Cashier committed suicide. The liabilities are placed at $336,542, and the assets are said to be worth only $10,449.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report. Names of officers and other particulars regarding these new National banks will be found under the different State headings.

NATIONAL BANKS ORGANIZED.

6284—Equitable National Bank, New York, New York. Capital, $200,000.
6285—First National Bank, Hanley Falls, Minnesota. Capital, $25,000.
6286—National Bank of Larimore, Larimore, North Dakota. Capital, $25,000.
6287—Rumford National Bank, Rumford (P. O. Rumford Falls), Maine. Capital, $75,000.
6288—First National Bank, Tucumcari, New Mexico. Capital, $25,000.
6289—New National Bank, Warren, Ohio. Capital, $100,000.
6290—National Bank of North America, Chicago, Illinois. Capital, $2,000,000.
6291—First National Bank, Lake Providence, Louisiana. Capital, $50,000.
6292—Lindsay National Bank, Gainesville, Texas. Capital, $200,000.
6293—First National Bank, Plainview, Minnesota. Capital, $25,000.
6294—First National Bank, White, South Dakota. Capital, $25,000.
6295—First National Bank, Burns, Oregon. Capital, $25,000.
6296—First National Bank, Columbiana, Ohio. Capital, $45,000.
6297—Commercial National Bank, Snow Hill, Maryland. Capital, $50,000.
6298—Tulia National Bank, Tulia, Texas. Capital, $25,000.
6299—First National Bank, Comanche, Indian Territory. Capital, $25,000.
6300—First National Bank, Collinsville, Texas. Capital, $25,000.
6301—Mellon National Bank, Pittsburg, Pennsylvania. Capital, $2,000,000.
6302-First National Bank, Philippi, West Virginia. Capital, $50,000.
6303—First National Bank, Pocahontas, Iowa. Capital, $25,000.
6304—First National Bank, Two Harbors, Minnesota. Capital, $50,000.
6305—National Bank of Commerce, Natchez, Mississippi. Capital, $100,000.
6306—First National Bank, Stroud, Oklahoma. Capital, $25,000.
6307—Citizens' National Bank, Anadarko, Oklahoma. Capital, $25,000.
6308—Marion National Bank, Marion, Ohio. Capital, $200,000.
6309—Farmers and Merchants' National Bank, Wabash, Indiana. Capital, $100,000.
6310—Morris National Bank, Morris, Minnesota. Capital, $25,000.
6311—Commercial National Bank, Kansas City, Kansas. Capital, $200,000.
6312—First National Bank, Leeds, North Dakota. Capital, $25,000.
6313—Wharton National Bank, Wharton, Texas. Capital, $30,000.

APPLICATIONS TO ORGANIZE NATIONAL BANKS APPROVED.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice:

Princeton National Bank, Princeton, Minnesota: by Henry Lee, *et al.*
First National Bank, Granger, Texas: by Wilford McDaniel, *et al.*
First National Bank, Linden, Alabama; by Wm. Cunninghame, *et al.*
Taylor National Bank, Campbellsville, Kentucky; by G. H. Gowdy, *et al.*
First National Bank, Crowell, Texas; by John S. Hagler, *et al.*
Farmers' National Bank, Prophetstown, Illinois; by Nathan Thompson, *et al.*
American National Bank, Waurelka, Oklahoma; by F. M. English, *et al.*
Hays National Bank, Hays, Pennsylvania; by J. Merrill Wright, *et al.*
Manor National Bank, Manor, Pennsylvania; by J. A. Klingensmith, *et al.*
Anoka National Bank, Anoka, Nebraska; by Will D. Forbes, *et al.*
First National Bank, Matagorda, Texas; by R. H. Gardner, *et al.*
First National Bank, Okemah, Indian Territory; by C. J. Benson, *et al.*
Old Detroit National Bank, Detroit, Michigan; by Theodore D. Buhl, *et al.*
Continental National Bank, Denver, Colorado; by John W. Springer, *et al.*
First National Bank, Miami, Florida; by Edward Rumph, *et al.*

National Bank of Painted Post, Painted Post, N. Y.: by R. S. Litchfield, *et al.*
First National Bank, Anoka, Nebraska; by H. A. Oelrich, *et al.*
First National Bank, Sleepy Eye, Minnesota: by C. D. Griffith, *et al.*
First National Bank, Atwood, Illinois, by C. D. Greve, *et al.*
First National Bank, Enterprise, Alabama; by G. H. Malone, *et al.*
First National Bank, Rib Lake, Wisconsin: by L. Sperbeck, *et al.*
First National Bank, Byars, Indian Territory; by S. L. Williams, *et al.*
Welsh National Bank, Welsh, Louisiana: by L. Kaufman, *et al.*
First National Bank, Meeteetse, Wyoming; by W. Dean Hays, *et al.*
First National Bank, Neosho, Missouri; by C. M. Shartel, *et al.*
First National Bank, West Elizabeth, Pennsylvania; by Wm. T. Pierce, *et al.*
Yates Center National Bank, Yates Center, Texas; by H. H. Winter, *et al.*

APPLICATION FOR CONVERSION TO NATIONAL BANKS APPROVED.

State Bank, Toronto, South Dakota: into First National Bank.
Bank of Ortonville, Ortonville, Minnesota; into First National Bank.
Farmers and Merchants' Savings Bank, Lancaster, Missouri; into Figge National Bank.
Lincoln County State Bank; Hendricks, Minnesota; into First National Bank.
State Bank, Westbrook, Minnesota: into First National Bank.

CORPORATE EXISTENCE OF NATIONAL BANKS EXTENDED.

First National Bank, Philadelphia, Pennsylvania; until June 10, 1922.
First National Bank, Bath, Maine: until June 16, 1922.
First National Bank, Pittsburg, Pennsylvania: until June 17, 1922.
First National Bank, Wilkes-Barre, Pennsylvania; until June 19, 1922.
First National Bank, Nashua, New Hampshire; until June 19, 1922.
First National Bank, Falls City, Nebraska: until June 20, 1922.
Chase County National Bank, Cottonwood Falls, Kansas; until June 21, 1922.
First National Bank, Iowa City, Iowa; until June 12, 1922.
First National Bank, Miles City, Montana: until June 12, 1922.
First National Bank, Terre Haute, Indiana: until June 13, 1922.
Union National Bank, Franklinville, New York; until June 13, 1922.
First National Bank, Roanoke, Virginia; until June 14, 1922.
First National Bank, Hebron, Nebraska; until June 14, 1922.
First National Bank, Johnstown, Pennsylvania; until June 15, 1922.

NEW BANKS, BANKERS, ETC.

ARKANSAS.

HOPE—Citizens' Bank; capital, $100,000; Pres., R. M. Lagrone; Vice-Pres., R. M. Briant; Sec. and Treas., A. L. Black.

LITTLE ROCK—State Bank (successor to Cornish & England); capital, $100,000; Pres., J. R. England; Vice-Pres., Ed. Cornish; Cas., R. S. Hamilton.

WILMOT-Wilmot Bank; capital, $15,000; Pres., A. E. Jackson; Vice-Pres., A. F. Brame; Sec. and Treas., W. B. DeYompert.

GEORGIA.

RESACA—S. M. Barnett & Co.; capital, $3,000.

THOMSON—Farmers and Merchants' Bank; capital, $25,000; Pres., Julius H. Boyd; Vice-Pres., B. F. Johnson; Cas., Paul A. Bowden.

ILLINOIS.

CHICAGO-National Bank of North America; capital, $2,000,000; Pres., Isaac N. Perry; Cas., J. S. Pomeroy.——North Side State Savings Bank; capital, $50,000; Pres., Jas. B. Wilbur; Vice-Pres., Wm. L. Bush; Cas., Addison Corneau.——Drexel State Bank.

IPAVA—Ipava State Bank; Pres., Carl Marshall; Vice-Pres., W. H. Rhodes; Cas., S. L. Marshall.

INDIANA.

WABASH—Farmers and Merchants National Bank; capital, $100,000; Pres., H. B. Shively.

INDIAN TERRITORY.

COMANCHE — First National Bank; Pres., Wade Atkins; Vice-Pres., W. A. Yates; Cas., J. T. Jeanes.

IOWA.

ALLERTON—Farmers and Traders' Bank; capital, $25,000; Pres., W. T. Grimes; Cas., J. B. Rankin.

BERLIN — German Savings Bank; capital, $15,000; Pres., Wm. Mee; Vice-Pres., Henry Ludwig; Cas., T. P. Rehder.

DES MOINES — Security Trust and Savings Bank; capital, $50,000; Pres., D. G. Edmondson; Vice-Pres., J. H. Windsor; Cas., E. G. Zellhoefer; First Asst. Cas., W. H. Barnard; Second Asst. Cas., G. W. Fowler.

POCAHONTAS—First National Bank; capital, $25,000; Pres., L. C. Thornton; Cas., W. S. McEwen.

RAKE — Farmers and Merchants' Savings Bank (successor to Bank of Rake); capital, $15,000; Pres., E. B. Soper; Cas., C. E. Gunhus.

ROCKFORD—Rockford State Bank (successor

to Rockford Banking Co.); capital, $25,000; Pres., R. M. Potter; Vice-Pres., F. C. Johnson; Cas., B. A. Wallace.

WASHINGTON — Farmers and Merchants' State Bank; capital, $50,000; Pres., Charles Olingemach; Cas., S. A. White; Asst. Cas., E. G. Wilson.

KANSAS.

KANSAS CITY — Commercial National Bank (successor to Commercial State Bank); capital, $200,000; Pres., P. W. Goebel; Cas., C. L. Brokaw.

SPEARVILLE—Ford County State Bank; capital, $7,200; Pres., H. W. Dorsett; Cas., J. R. Baird.

ST. MARYS—St. Marys State Bank; capital, $10,000; Pres., A. D. Hoy.

KENTUCKY.

CAMPBELLSVILLE—Farmers' Deposit Bank; Pres., U. P. Walling; Cas., Charles P. Sanders; Asst. Cas., H. M. Rice.

LOUISIANA.

LAKE PROVIDENCE—First National Bank; capital, $50,000; Pres., W. S. Jones; Cas., R. J. Walker.

TALLULAH—Tallulah State Bank; capital, $26,000; Pres., W. D. Ziegler.

MAINE.

RUMFORD (P. O. Rumford Falls)—Rumford National Bank; capital, $75,000; Pres., Aretas E. Stearns; Cas., L. B. Lane.

MARYLAND.

SNOW HILL—Commercial National Bank (successor to Commercial and Savings Bank); capital, $50,000; Pres., L. L. Dirickson, Jr.; Vice-Pres., Geo. W. Covington and John S. Aydelotte; Cas., Wm. E. Bratten; Asst. Cas., Eben Hearne.

MICHIGAN.

DETROIT—Fenton, Hood & Co.

MINNESOTA.

CLEMENTS — State Bank; capital, $15,000; Pres., H. C. Warnke; Vice-Pres., O. G. Ocns; Cas., Jos. Epple.

CLOQUET—Bank of Cloquet; capital, $10,000; Pres., Thos. H. Martin; Vice-Pres., Chas. F. Leland; Cas., H. G. Stevens.

HANLEY FALLS—First National Bank (successor to Bank of Hanley Falls); capital, $25,000; Pres., G. S. Gilbertson; Cas., H. M. Hanson; Asst. Cas., W. E. Hanson.

MORRIS—Morris National Bank; capital, $25,000; Pres., D. J. Stewart; Cas., F. R. Putnam.

OSAKIS — Security Bank; capital, $10,000; Pres., Tollef Jacobson; Cas., W. N. Parkhurst.

PARK RAPIDS—State Bank; capital, $20,000; Pres., W. R. E. Smyth; Cas., J. E. Flynn.

PLAINVIEW—First National Bank; capital, $25,000; Pres., A. L. Ober; Cas., F. G. Shumway.

TWO HARBORS—First National Bank; capital, $50,000; Pres., A. D. Davidson; Cas., James D. Anderson; Asst. Cas., John A. Barton.

WESTBROOK—Citizens' State Bank; capital, $25,000; Pres., T. Torjuson; Vice-Pres., C. P. Nelson; Cas., Chas. A. Zieske.

MISSISSIPPI.

LIBERTY—Bank of Liberty; capital, $100,000; Pres., C. C. Bales; Vice-Pres., P. R. Brewer; Cas., Lee Van Sample; Asst. Cas., S. M. Robinson.

NATCHEZ — National Bank of Commerce; capital, $100,000; Cas., Thomas Mount.

MISSOURI.

ADRIAN—Citizens' Bank of Bates County; capital, $20,000; Pres., J. H. McCombs; secretary, H. W. Tuttle.

CREIGHTON—Bank of Creighton; capital, $10,000; Pres., W. M. Poynter; Cas., W. L. Poynter.

EXCELSIOR SPRINGS—Exchange Bank; Pres., R. E. Bevins; Cas., W. W. G. Thompson; Asst. Cas., R. R. Thompson.

SENATH—Bank of Senath; capital, $10,000; Pres., John M. Kanes; Vice-Pres., J. I. Caneer; Cas., W. G. Bray.

WOOLDRIDGE—Bank of Wooldridge; capital, $10,000; Pres., George Vaughn; Cas., Gus Smith.

NEW MEXICO.

TAOS—A. H. Raynolds.

TUCUMCARI—First National Bank; capital, $25,000; Pres., John A. Hughes; Cas., Wm. F. Buchanan; Asst. Cas., W. B. Jarrell.

NEW YORK.

ELMIRA—Elmira Trust Co.; capital, $200,000; Pres., A. Lee Smith; Sec. and Treas., E. W. Gleekler.

NEW YORK—Equitable National Bank; capital, $200,000; Pres., Cornelius Van Cott; Vice-Pres., James M. Bell; Second Vice-Pres., Carl Rudolph Schultz; Cas., John Carraway; Asst. Cas., James S. O'Neale.

NORTH DAKOTA.

HANNAFORD—Hannaford State Bank; capital, $10,000; Pres., A. M. Sinclair; Vice-Pres., N. G. Eggen; Cas., H. A. Langlie.

HOOPLE—State Bank; capital, $10,000; Pres., John Dinnie; Cas., H. W. Bunn.

LARIMORE—National Bank of Larimore; capital, $25,000; Pres., F. E. Kenaston; Cas., O. A. Hazen.

LEEDS—First National Bank (successor to Bank of Leeds); capital, $25,000; Pres., E. B. Page; Cas., S. J. Atkins.

OHIO.

BLUFFTON—Commercial Bank and Savings Co. (successor to Commercial Bank); capital, $30,000; Pres., Frank Scott; Cas., N. D. Cunningham.

COLUMBIANA—First National Bank; capital, $45,000; Pres., John E. Allen; Cas., N. M. Bassinger.

MARION—Marion National Bank (successor to Farmers and Mechanics' Bank Co.); cap-

ital, $200,000; Pres., Edward Huber; Cas., Henry B. Hane.

SALINEVILLE—Citizens' Banking Co. (successor to H. A. Thompson Banking Co.); capital, $50,000; Pres.. H. A. Thompson; Cas., W. A. McBane.

WARREN—New National Bank; capital $100,-000; Pres., John O. Hart; Vice-Pres., Jules Vantrot, Jr.; Cas., Oscar A. Caldwell; Asst. Cas., E. F. Briscoe.

OKLAHOMA.

ANADARKO—Citizens' National Bank; capital, $35,000; Pres.. Lewis W. Meyers; Cas., Ira E. Cox.

HINTON—Hinton State Bank; capital, $5,000.

KEYSTONE—Bank of Keystone; capital, $5,000.

MERIDIAN—Meridian State Bank; capital, $5,000.

NAVINA—Bank of Navina: capital, $1,000.

ROCKY—State Bank of Rocky; capital, $5,000; Pres., J. C. Finnerty; Cas., C. J. Johnston.

STROUD—First National Bank (successor to Bank of Stroud); capital, $25,000; Pres., H. S. Emmerson; Cas., E. H. Emmerson.

OREGON.

BURNS—First National Bank; capital, $25,-000: Pres., John D. Daly; Cas., N. U. Carpenter.

PENNSYLVANIA.

BEAVER—Beaver Trust Co. (successor to Beaver National Bank); capital, $300,000; Pres., J. R. Leonard; Vice-Pres., E. K. Hum; Sec'y and Treas., C. M. Hughes.

CARLISLE—Farmers' Trust Co.: capital, $150,-000; Pres.. Peter Wertz; Sec. and Treas., Walter Stuart.

PITTSBURG—Mellon National Bank (successor to T. Mellon & Sons' Bank); capital, $2,000,000; Pres., Andrew W. Mellon; Cas., Walter S. Mitchell.

SMETHPORT—Hamlin Bank and Trust Co. (successors to Henry Hamlin & Son); capital, $200,000; Pres., Henry Hamlin; Treas., Ralph E. Burdick; Asst. Treas., Guy McCoy.

VANDERGRIFT—Vandergrift Savings and Trust Co. (successor to First National Bank); capital, $130,000; Pres., James E. Sutton; Cas., J. S. Whitworth; Asst. Cas., Jno. M. Orr.

RHODE ISLAND.

PROVIDENCE—Title Guarantee Company; capital, $250,000; Pres., Wm. L. Hodgman; Sec'y and Treas., Robert L. Walker.

SOUTH DAKOTA.

ANDOVER—Citizens' State Bank; capital, $15,000.

GOODWIN—State Bank; capital, $10,000; Pres., John Swenson; Vice-Pres., J. A. Thurston; Cas., Theo. M. Antony.

WHITE—First National Bank: capital, $25,-000; Pres., W. H. White; Cas., W. A. Burgess.

TENNESSEE.

ALAMO—Bank of Alamo; Pres., W. W. Craig; Vice-Pres., C. H. Ferrell; Cashier, D. B. Dobson.

MEMPHIS—Home Finance and Trust Co.; capital, $52,000; Pres., A. G. Ryley, Cas., Felix T. Pope.

TEXAS.

COLLINSVILLE—First National Bank (successor to Bank of Collinsville; capital, $25,-000; Pres., J. W. Dishman; Cas., T. F. Rodgers.

GAINESVILLE—Lindsay National Bank (successor to Gainesville National Bank); capital, $200,000; Pres., James M. Lindsay; Cas., Lewis B. Lindsay.

KENEDY—Bank of Kenedy—Pres.. S. C. Butler; Cas., T. D. Ruckman; Asst. Cas., Lon Nusom.

MADISONVILLE—First National Bank; capital, $25,000; Pres., H. F. Moore: Vice-Pres., E. B. Seay; Cas., Dave H. Shapira.

TULIA—Tulia National Bank; capital, $25,-000; Pres., W. C. Dinwiddie; Cas., Ray Price.

WHARTON—Wharton National Bank; capital, $30,000; Pres., H. J. Bolton; Cas., Chas. W. Leesemann.

VIRGINIA.

LEBANON—Bank of Southwest Virginia.

WASHINGTON.

CHELAN—Miners and Merchants' Bank: capital, $15,000.

CONNELL—Franklin County Bank: capital, $25,000; Pres., F. D. Mottet; Cas., M. M. Taylor.

EDWALL—Bank of Edwall; Mgr., A. G. Mitchem; Cas., F. Carpenter.

WEST VIRGINIA.

HUNTINGTON—West Virginia Savings and Trust Co.; capital, $100,000; Pres., C. W. Campbell; Cas., Robert L. Archer.

PIEDMONT—Home Loan and Trust Co.; Pres., R. M. A. Patrick; Sec. and Treas., T. F. Kenney.

PHILIPPI—First National Bank; capital, $50,000; Pres., J. N. B. Crim; Cas., J. F. Manown.

CANADA.

NORTHWEST TERRITORY.

RED DEER—Merchants' Bank of Canada.

HIGH RIVER—Union Bank of Canada.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

BIRMINGHAM—First National Bank; N. E. Barker, Pres., resigned.

ARIZONA.

PRESCOTT—Prescott National Bank; W. C. Brandon, Asst. Cas. in place of C. O. Ellis.

CALIFORNIA.

HEALDSBURG—Farmers and Mechanics' Bank; George H. Warfield, Pres. in place of E. H. Barnes, resigned; S. L. Wattles, Cas. in place of George H. Warfield.

LOS ANGELES—First National Bank: J. C. Drake Second Vice-Pres.; W. T. S. Hammond, Cas. in place of Frank A. Gibson; no Asst. Cas. in place of W. T. S. Hammond.

COLORADO.

BOULDER—National State Bank; J. H. Nicholson, Cas., deceased.

CONNECTICUT.

HARTFORD—American National Bank; Rowland Swift, Pres., deceased.

STAMFORD—Citizens' Bank; Charles Gaylor, Pres., deceased.

GEORGIA.

ATLANTA—Georgia Savings Bank and Trust Co.; Joseph A. McCord, Vice-Pres. in place of E. C. Spalding, deceased.

CARTERSVILLE—First National Bank; J. W. Vaughan, Pres. in place of J. R. Wikle; J. R. Wikle, Vice-Pres. in place of J. A. Stover.

ILLINOIS.

ALTON—Alton Savings Bank; Oliver S. Stowell, Pres. in place of John E. Hayner, resigned; Charles Cannell, Asst. Cas., resigned: Citizens' Nat. Bank; Wm. Eliot Smith, Pres. in place of August Schlafly resigned.

CHICAGO—First National Bank; H. H. Hitchcock, additional Vice-Pres.; Edward Dickinson, additional Asst. Cas.——State Bank of Chicago; admitted to Clearing-House.——Bankers' National Bank; capital increased to $2,000,000.——Chicago National Bank; A. Uhrlaub, Asst. Cas., resigned. —— Continental National Bank; M. E. Barker, Vice-Pres.

HILLSBORO—Hillsboro National Bank; Luther M. Beck, Cas., resigned.

MOUNT CARMEL—American National Bank; no Asst. Cas. in place of Rosalind Keneipp.

PAW PAW—First National Bank; Wm. Moffatt, Vice-Pres.; W. T. Chaffee, Asst. Cas.

ROCK ISLAND—Rock Island National Bank; H. E. Casteel, Pres. in place of J. F. Robinson; H. B. Simmons, Cas. in place of H. E. Casteel.——Central Trust and Savings Bank; H. E. Casteel, Pres. in place of J. F. Robinson.

INDIANA.

FORT WAYNE—First National Bank: C. H. Worden, Vice-Pres.; H. N. Freeman, Cas. in place of Lem R. Hartman; J. H. Orr, Asst. Cas. in place of W. L. Pettit.

INDIANAPOLIS—American National Bank; capital increased to $1,000,000.

INDIAN TERRITORY.

MOUNDS—First National Bank; H. C. Way, Vice-Pres.; D. J. Red, Asst. Cas.

IOWA.

BRIGHTON—National Bank of Brighton; A. B. Endicott, Cas. in place of Frank B. Sage.

CRESTON—First National Bank; S. W. Richardson, Pres. in place of H. S. Clarke.

MONROE—Bank of Monroe; Geo. J. Dix, Cas., deceased.

ROCKFORD—Rockford Banking Co.; James Murray, Cas., deceased.

WEST UNION—State Bank; Geo. H. Thomas, Vice-Pres., deceased.

KANSAS.

ATCHISON—Atchison Savings Bank; C. J. Drury, Pres. in place of R. A. Park.

EMPORIA—Emporia National Bank; J. F. DeLand, Cas. in place of L. T. Heritage.

FORT SCOTT—Citizens' National Bank; no Pres. in place of C. W. Goodlander, deceased.

JUNCTION CITY—First National Bank; Thos. B. Kennedy, Cas. in place of E. F. White; no Asst. Cas. in place of Thos. B. Kennedy.

OBERLIN—Oberlin National Bank; I. W. Zimmerman, Cas. in place of E. N. Strong.

SALINA — National Bank of America; F. Hageman, Pres. in place of W. W. Watson; M. C. Stevenson, Cas. in place of F. Hageman; Fred F. Eberhardt, Asst. Cas.

SMITH CENTER—First National Bank; F. H. Burrow, Asst. Cas. in place of J. D. Mossman.

KENTUCKY.

LEXINGTON—National Exchange Bank; C. D. Chenault, Cas. in place of J. E. McFarland.

STURGIS—First National Bank; W. B. Goad, Vice-Pres.; Mark E. Eastin, Asst. Cas.

WEST POINT—Kentucky and Indiana Bank; G. S. Layman, Asst. Cas.

LOUISIANA.

ARCADIA—Bank of North Louisiana and People's Bank; consolidated under former title; capital increased to $35,000.

BATON ROUGE—People's Savings Bank; capital increased to $60,000.

NEW ORLEANS—Teutonia Bank; Eugene Buhler, Pres.; C. T. Patterson, Vice-Pres.

MAINE.

PORTLAND—National Traders' Bank; Leander W. Fobes, Pres. in place of William G. Davis, resigned; Fred. O. Conant, Vice-Pres.

ROCKLAND—Rockland National Bank: G. Howe Wiggin, Pres. in place of John S. Case, deceased; W. H. Glover, Vice-Pres.; H. F. Hix, Cas. in place of G. Howe Wiggin.

SACO—Saco and Biddeford Savings Institution; Enoch Lowell, Pres. in place of E. P. Burnham, deceased.

MARYLAND.

BALTIMORE—International Trust Co.: capital reduced to $1,000,000.

MASSACHUSETTS.

BOSTON—Armstrong, Schirmer & Co.; George E. Armstrong, deceased.

LYNN—First National Bank; W. W. Johnson, Cas. in place of Charles W. Porter, Acting Cas.

MARLBORO—First National Bank; Wm. L. Morse, Pres., deceased.

RANDOLPH—Randolph Savings Bank: J. W. Pratt, Vice-Pres., deceased.

SPRINGFIELD—Chicopee National Bank; A. B. West, Pres. in place of A. J. McIntosh, deceased; Edward Pynchon, Cas. in place of A. B. West.

MICHIGAN.

ROCKLAND—Ontonagon National Bank; L. Stannard, Pres. in place of Thomas B. Dunstan; Fred H. Begole, Vice-Pres. in place of L. Stannard.

VICKSBURG—Vicksburg Exchange Bank; Elbert L. Page, Pres.; Chas. L. Keep, Cas.

MINNESOTA.

LITTLE FALLS—First National Bank; H. N. Harding, Asst. Cas.

OLIVIA—People's Bank; M. J. Heins, Pres.

WINNEBAGO CITY—First National Bank; J. A. Reagan, Pres. in place of G. D. Eygabroad.

MISSISSIPPI.

MERIDIAN—Meridian National Bank; O. L. McKay, Vice-Pres.

NATCHEZ—First Natchez Bank; capital increased to $250,000.

TERRY—Bank of Terry; J. W. Grantham, Cas. in place of R. F. Young.

MISSOURI.

CAPE GIRARDEAU—Sturdivant Bank; L. J. Albert, Jr., Cas.; Harry L. Machen, Asst. Cas.

KANSAS CITY—Kansas City Trust Co.; W. Adams, Receiver in place of Francis M. Black.

NEVADA—First National Bank; H. L. Tillotson, Pres., deceased.

ST. LOUIS—National Bank of Commerce; capital, $7,000,000.——Mechanics' National Bank; Joseph L. Hanley, Asst. Cas.——St. Louis Safe Deposit and Savings Bank; absorbed by Mercantile Trust Co.

STEELVILLE — Crawford County Farmers' Bank: capital increased to $15,000.

MONTANA.

BUTTE—Silver Bow National Bank; Charles R. Leonard, Pres. in place of O. K. Lewis.

NEBRASKA.

BLOOMFIELD—Citizens' State Bank: Edward Renard, Pres.; G. H. Renard, Vice-Pres.; F. H. Crahan, Cas.; Wm. Barge, Asst. Cas.

HUMPHREY—First National Bank; no Cas. in place of Lee Martyn.

NEW JERSEY.

MOORESTOWN—Burlington County Safe Deposit and Trust Co.; Wm. W. Stokes, Pres.; David W. Griscom, Vice-Pres.; L. Hartman Burr, Sec'y; Wm. R. Lippincott, Treas.

NEWARK—German National Bank; title changed to Union National Bank.

NEW MEXICO.

SANTA ROSA—First National Bank; L. M. Shely, Vice-Pres.; H. B. Jones, Cas. in place of H. D. Myers.

NEW YORK.

ALBANY — Albany Trust Co.; capital increased to $300,000.

BUFFALO—Marine National Bank; capital increased to $1,500,000.——Manufacturers and Traders' National Bank; Richard H. Danforth, Asst. Cas., resigned; Henry W. Root and Walter Aspinwall, elected Asst. Cashiers.

NEW YORK—Jefferson Bank; W. H. Devlin, Cas. in place of Sebastian Roggemann, deceased; W. J. Hauser, Asst. Cas.——R. A. Lancaster & Sons; R. A. Lancaster, deceased.——Bank of the Metropolis; capital increased to $1,000,000.——Irving National Bank; capital increased to $1,000,000.——Central National Bank: H. J. Francis, Asst. Cas. in place of Lewis S. Lee, deceased.——Lincoln National Bank; David C. Grant, Asst. Cas. in place of Robert C. Lewis.——Liberty National Bank; E. C. Converse, Pres. in place of Henry P. Davison, resigned.——First National Bank; Henry P. Davison, Vice-Pres.——Joseph Walker & Sons; H. F. Benjamin admitted to firm.——Phenix National Bank; Pierson G. Dodd, Asst. Cas., deceased.——Union Square Bank; absorbed by Corn Exchange Bank.——National City Bank; capital increased to $25,000,000.——New York Produce Exchange Bank; John R. Wood, Asst. Cas.——Lazard Freres: Alphonse Furst admitted to firm.——Hide and Leather National Bank; title changed to United States National Bank.——National Shoe and Leather Bank; W. L. Moyer, Pres. in place of John M. Crane; John M. Crane, Vice-Pres.; W. I. Cole, Cas., resigned.——Western National Bank; Hen. A. Smith, Vice-Pres. in place of W. L. Moyer, resigned; Chas. L. Robinson, Cas. in place of Henry A. Smith.

BROOKLYN—Kings County Savings Institution; H. G. Taylor, Pres. in place of James S. Bearns, resigned.——Manufacturers' Trust Co.; Frank L. Sniffen, Third Vice-Pres. and Sec'y.——Bond and Mortgage Guarantee Co.: capital increased to $2,000,000.

RIVERHEAD—Riverhead Bank; Sylvester M. Foster, Cas.

RYE—Rye National Bank; W. H. Parsons, Pres. in place of George R. Read.

SPRINGVILLE—Farmers' Bank; capital increased to $50,000.

NORTH CAROLINA.

WILMINGTON—Atlantic National Bank; J. W. Norwood, President, resigned.

OHIO.

BELLAIRE—First National Bank: Geo. W. Yost, Pres. in place of H. Roemer; W. J. Morrison, 2d Asst. Cas.

BUCYRUS—First National Bank; no Cas. in place of H. E. Valentine.

CANTON—Canton State Bank; capital increased to $300,000.

CLEVELAND—Farmers and Merchants' Banking Co.; Jefferson Fish, Pres., deceased.

COLUMBUS—Investment Banking Co.; capital increased to $100,000.

CONNEAUT — First National Bank; C. M. Traver, Pres. in place of S. J. Smith; E. A. Miller, Vice-Pres. in place of C. M. Traver.

CORTLAND—First National Bank; Charles R. Dodge, Cas. in place of E. F. Briscoe.

MANSFIELD — Bank of Mansfield; Louis Berecker, Pres.

MIDDLETOWN—Merchants' National Bank; Paul A. Sorg, Pres. in place of Paul J. Sorg, deceased.

SMITHFIELD — First National Bank; J. H. Lowry, Cas. in place of Charles McKinney.

TOLEDO—Central Savings Bank Co.; capital increased to $300,000.

OKLAHOMA.

CLEO—Farmers' State Bank; capital increased to $10,000.

GRANITE—Granite State Bank; capital increased to $15,000.

HOBART—City National Bank; S. A. Holcomb, Vice-Pres. in place of C. E. Dill; J. P. Whatley, Asst. Cas.

LAHOMA—Bank of Lahoma: capital increased to $8,000.

PORT—Port State Bank; capital increased to $10,000.

PENNSYLVANIA.

CONNELLSVILLE — First National Bank; Joseph E. Kurtz, 2d Vice-Pres., deceased.

EAST PITTSBURG—Commonwealth Bank; T. J. Kerr, Cas., resigned.

GLASSPORT—Glassport National Bank; W. S. Kearney, Cas. in place of J. A. Klingensmith.

HUNTINGDON—First National Bank; O. H. Irwin, Asst. Cas.

LEWISTOWN—Citizens' National Bank; Wm. W. Cunningham, Asst. Cas.

PHILADELPHIA — Tradesmen's Trust and Saving Fund Co.; Wm. McCoach, Pres. in place of Blaney Harvey, deceased; W. Spence Harvey, Vice-Pres. —— German-American Title and Trust Co.; William Disston, Pres. in place of Samuel Biddle; Lewis R. Dick, 1st Vice-Pres. in place of G. E. Schlegelmith.——Union National Bank; Wm. H. Thompson, Asst. Cas.——Merchants' Trust Co.; Horace D. Pierson, 2d Vice-Pres. and Treas.——Tacony Saving Fund, Safe Deposit, Title and Trust Co.; title changed to Tacony Trust Co.——Guarantee Trust and Safe Deposit Co.; John Jay Gilroy, Sec., deceased. —— Southwestern National Bank; Geo. H. Wiggins, Asst. Cas.

PITTSBURG—Diamond National Bank; H. C. Wettengel, Cas. in place of G. W. Crawford; capital increased to $500,000.——Fort Pitt National Bank; capital increased to $1,500,000: reported will absorb Fourth and Fifth National Banks.——Marine National Bank; J. S. Brooks, Cas. in place of W. E. Von Bonnhorst; no Asst. Cas. in place of J. S. Brooks.——Columbia National Bank; C. D. Bevington, Asst. Cas. in place of W. Hamilton Brunt.

SHARON—Sharon National Bank: sold to Sharon Savings and Trust Co.

WASHINGTON—First National Bank; Joseph Zelt, Asst. Cas. in place of Robert S. Winters.

WAYNESBURG — American National Bank; capital increased from $50,000 to $100,000.

RHODE ISLAND.

PROVIDENCE—National Exchange Bank; Augustus R. Pierce, Cas.; no Asst. Cas. in place of Augustus R. Pierce.

SOUTH CAROLINA.

UNION—Merchants and Planters' National Bank; Geo. Munro, Cas., deceased.

TENNESSEE.

CHATTANOOGA—Third National Bank; Chas. A. Lyerly, Pres. in place of W. B. Mitchell.

TEXAS.

COLLINSVILLE—Bank of Collinsville; succeeded by First National Bank.

GREENVILLE—First National Bank; capital increased to $150,000.

HOUSTON—Commercial National Bank; F. B. Gray, Cas. in place of A. L. Williams; no Asst. Cas. in place of J. A. Wilkins.

IOWA PARK—First National Bank; W. R. Ferguson, Cas. in place of A. N. Treece.

WACO—First National Bank; R. J. Tolson, Asst. Cas. in place of T. N. McMullin, Jr.

WOLFE CITY—Wolfe City National Bank; M. H. Wolfe, Pres. in place of C. L. Parrott; no 2d Vice-Pres. in place of M. H. Wolfe; capital increased to $100,000.

VERMONT.

ORWELL—First National Bank; E. E. Young, Pres. in place of I. B. Rich; E. J. Ormsbee, Vice-Pres. in place of E. E. Young.

VIRGINIA.

RICHMOND—Merchants' National Bank; J. R. Perdue, Act. Cas. for ninety days from June 6.

WASHINGTON.

SEATTLE — Canadian Bank of Commerce; Percy Stevenson, Mgr.

MOUNT VERNON — First National Bank; Judge Million, Pres. in place of Charles H. Lyon.

WEST VIRGINIA.

GRAFTON—First National Bank; no Vice-Pres. in place of L. Mallonee; L. Mallonee, Cas. in place of W. E. Davis; no Asst. Cas. in place of G. H. Kunst.

PARKERSBURG—Citizens' National Bank; W. P. Flaherty, Cas.; no Asst. Cas. in place of W. P. Flaherty.——Central Bank and Security Co.; T. E. Davis, Treas.

WISCONSIN.

BURLINGTON—Bank of Burlington; E. H. Schnedeman, Pres. in place of Florence C. Hall.

GRAND RAPIDS—First National Bank; no Pres. in place of J. D. Witter.

GREEN BAY—Kellogg National Bank; reported will increase capital to $200,000.

MONROE—Citizens' Bank; John Bolender, Pres., deceased.

CANADA.

ONTARIO.

LONDON—London Clearing-House Association established.

QUEBEC.

MONTREAL—Merchants' Bank of Canada; Geo. Hague, Gen. Mgr., returned; Jonathan Hodgson, Vice-Pres. in place of John Cassils, deceased.

SHERBROOKE—Eastern Townships Bank; William Farwell, Pres. in place of R. W. Heneker, retired.

MANITOBA.

PORTAGE LA PRAIRIE—Merchants' Bank of Canada; J. S. Willmott, Mgr.

NEW BRUNSWICK.

FREDERICTON—People's Bank; A. H. F. Randolph, Pres. in place of A. F. Randolph, deceased.

NORTHWEST TERRITORY.

CALGARY—Molsons Bank; W. C. Rhodes, Mgr., deceased.

EDMONTON—Merchants' Bank of Canada.—— Frazer, Mgr. in place of J. S. Willmott.

GRENFELL—C. R. Tryon & Co.; J. Y. Thompson, Mgr. in place of C. R. Hegan.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

CALIFORNIA.

TUSTIN—Bank of Tustin; discontinued.

ILLINOIS.

WINNEBAGO—Citizens' Bank.

PENNSYLVANIA.

PITTSBURG—Citizens' National Bank.

RHODE ISLAND.

NEWPORT—Merchants' Bank.

TEXAS.

MANOR—Bank of Manor.

Stamp Tax on Checks.—During the recent discussion, in London, of the proposal of the Chancellor of the Exchequer to impose an additional penny tax upon bank checks, some interesting facts were brought to light. An investigation of the subject was made by Mr. E. H. Holden, of the London City and Midland Bank. In a letter to the London "Standard," Mr. Holden says:

"I have made an investigation covering an area bounded by Carlisle on the north, Brighton on the south, Liverpool and Swansea on the west, and Hull and Margate on the east, and including transactions taking place in about 400 towns and villages. The following are the results, and they prove that if this tax of an extra penny on checks be imposed, a great injustice will be committed on the poorer class of traders and on other persons who keep only small banking accounts. Out of 273,000 checks drawn in the ordinary course of business, 153,000, or about fifty-six per cent. of the total number, are for sums under £10, while the remaining 120,000 are for sums over £10. The sterling amount drawn for by the 153,000 checks was £566,000, and they would have to pay an additional tax of £637; that is, at the rate of 2s. 2d. per cent. The sterling amount drawn for by the 120,000 checks was £15,000,000, and they would have to pay an additional tax of £500; that is, at the rate of four-fifths of a penny per cent. The checks under £10 would thus pay thirty-four times more than the checks over £10."

Although the stamp tax on bank checks in this country was repealed some time ago, the above facts are worth remembering. It would seem to be difficult to devise a more unjust and annoying means of raising revenue.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, July 3, 1902.

THE SERIOUS ILLNESS OF KING EDWARD OF ENGLAND and the consequent postponement of the coronation were the great historical events of the past month. In the financial world the influence of the unfortunate occurrence was not far reaching, although foreign markets were greatly disturbed for a while.

Of our own affairs the strike of the anthracite coal miners is still the principal topic of discussion. The strike has been under way more than seven weeks and the loss caused to operators, employees and the public is estimated at between $40,000,000 and $50,000,000. The mine workers have alone lost $9,000,000 or more in wages, while other employees, who have been made idle by the strike, it is estimated have lost more than $2,000,000 beside.

The effect of a strike causing such sweeping losses as these must be felt for a long time after the strike has ended. A drain of $11,000,000 or more upon the savings of wage earners is bound to cause distress for some time to come. At the present time there are rumors of an early settlement or breaking up of the strike, but the reports are conflicting.

It is somewhat surprising that the scarcity of anthracite coal has not had a more depressing influence upon industrial activity than has been the case. Bituminous coal to some extent has taken the place of anthracite, as the disagreeable experience of people living in New York city has abundantly testified. For a time a number of blast furnaces were shut down because of the scarcity of anthracite coal, but most of them have resumed with coke and are producing pig iron at a greater rate than ever before. In general, activity is apparent in all lines of production.

An approaching event which seemed to be viewed with indifference by the business and financial world last month was the adjournment of Congress, which took place on July 1. The session just ended has been very disappointing. Currency reform has not materialized, all legislation looking to that end having been shelved. The Fowler bill, which was a veritable cornucopia of financial propositions, and which started early, failed even to get through the House, in which it had its original entry. The Hill currency bill, which flashed in ahead of the Fowler bill and passed the House, is slumbering in the Senate and will not even be reported in that body.

About the only measure of great and general importance which has run the gauntlet of both branches of Congress successfully is the Panama Canal bill, not in its original shape however. The vote taken near the end of the month has settled the question of a canal. There is to be one at Panama if the necessary concessions and a satisfactory title can be had, otherwise the canal will be along a Nicaragua route. The Congress has made provision for the expenditure of about $50,000,000 in securing the franchise of the Panama canal and in beginning the work. The total cost it is thought will reach about $200,000,000.

Congress has been exceptionally liberal as to appropriations during the present session, the evidence of wealth in the crowded vaults of the Treasury possibly being the inspiration. It is estimated that the appropriations will approximate $800,000,000, which is liberal compared with the disbursements of about $250,000,000

a year less than twenty years ago. The affluence of a Government whose total debt is over $1,300,000,000 and which has $930,000,000 of bonds outstanding is one of the extraordinary spectacles of the time.

At the close of June the Government had a balance, or surplus, in the Treasury of more than $358,000,000, an increase of about $32,000,000 during the past twelve months. Yet $56,000,000 of Government bonds have been redeemed during the year. This has been accomplished while the Government has been paying out $180,000,000 for war and navy, or about $100,000,000 a year more than it had to pay a few years ago.

During the year just ended the receipts were more than $563,000,000, while the expenditures were about $471,000,000, leaving a surplus for the year of $92,000,000, the largest reported in any year since 1888. The receipts, total expenditures and resulting balance for each year since 1891 are shown in the following table:

	Receipts.				Expenditures.	Surplus or deficit.
	Customs.	*Internal revenue.*	*Miscellaneous.*	*Total.*		
1892........	$177,452,964	$153,971,078	$23,513,748	$354,937,784	$345,023,330	Sur., $9,914,454
1893........	203,355,017	161,027,624	21,436,988	385,819,629	383,477,954	" 2,341,674
1894........	131,818,531	147,111,233	18,792,253	297,722,019	367,525,280	Def., 69,803,261
1895........	152,158,617	143,421,672	17,889,786	313,390,075	356,195,298	" 42,805,223
1896........	160,021,752	146,762,865	20,191,584	326,976,200	352,179,446	" 25,203,246
1897........	176,554,127	146,688,774	24,479,004	347,721,905	365,774,160	" 18,052,254
1898........	149,575,062	170,900,641	*84,845,631	405,321,335	443,368,583	" 38,249,104
1899........	206,128,482	273,437,161	†36,394,977	515,960,620	605,072,180	" 89,909,874
1900........	233,164,871	295,327,927	38,748,054	567,240,852	487,713,792	Sur., 79,527,060
1901........	238,585,456	307,180,664	41,919,217	587,685,337	509,967,353	" 77,717,984
1902........	254,456,927	272,503,214	36,445,046	563,405,187	471,209,641	" 92,195,546

* Includes $64,751,224 received from sale of railroads.
† Includes $11,798,314 received from sale of railroads.

While the receipts were $22,000,000 less than in 1901 and about $4,000,000 less than in 1900, these are the only years in which the record of the year just closed was beaten. Even in the year 1866 when the tax burden was the heaviest the country had ever known, the total ordinary revenues were less than $520,000,000. Had it not been for the repeal of some of the war taxes a little more than a year ago, the revenues in the last twelve months would have exceeded those of all previous years.

Custom receipts exceeded $254,000,000 last year, and they have surpassed all records. Until 1900 they had never reached $230,000,000 a year. The reductions made by legislation in taxation affected only the receipts from internal revenue, and these last year were smaller than in either of the previous three years, but with the exception of 1866 the receipts from this source were not as large in any other year.

There was a substantial decrease in expenditures by the Goverement in the last year, the total being $471,000,000, against nearly $510,000,000 in the previous year.

	Civil and miscellaneous.	*War.*	*Navy.*	*Indians.*	*Pensions.*	*Interest.*
1892..............	$99,841,989	$46,895,456	$29,174,139	$11,150,578	$134,583,053	$23,378,116
1893..............	103,732,799	49,641,773	30,136,084	13,346,847	159,357,558	27,264,393
1894..............	101,943,884	54,567,930	31,701,294	10,293,482	141,177,285	27,841,406
1895..............	93,279,730	51,804,759	28,797,796	9,939,754	141,395,229	30,978,030
1896..............	87,216,235	50,830,921	27,147,732	12,165,528	139,434,001	35,385,029
1897..............	90,401,268	48,950,268	34,561,546	13,016,802	141,053,165	37,791,110
1898..............	*96,520,505	91,992,000	58,823,985	10,994,668	147,452,369	37,585,056
1899..............	†119,191,256	229,841,254	63,942,104	12,805,711	139,394,929	39,896,925
1900..............	105,773,190	134,774,768	55,593,078	10,175,107	140,877,316	40,160,333
1901..............	122,282,003	144,615,697	60,506,979	10,896,073	139,323,622	32,342,979
1902..............	113,488,202	112,216,683	67,858,590	10,049,523	138,488,560	29,108,068

* Includes $4,549,368 on account of sale of Union Pacific Railroad.
† Includes $20,000,000 paid to Spain.

The figures for last year are, however, the largest for any year excepting the three years just preceding, and the three years 1863, 1864 and 1865. We show the expenditures by classes for each year since 1891 on the preceding page.

There was a reduction in civil and miscellaneous disbursements of about $9,000,000 as compared with the previous year, of $32,000,000 in war expenditures, of $1,000,000 in pensions and of $3,000,000 for interest. There was an increase of $7,000,000 in navy disbursements.

Recent legislation which went into effect on July 1 will cause a further reduction in internal revenues, the estimated annual reduction being $75,000,000. Such a reduction would extinguish a large portion of the current surplus, but there is no reason to anticipate any deficit, such as occurred in the years 1894–1899.

In one particular the United States Treasury stands out as the most gigantic treasure house in the world. Beside the $127,000,000 it has on deposit in National banks it holds $992,000,000 of money in its vaults. About $830,000,000 consists of gold and silver coin and bullion held to secure certificates and Treasury notes outstanding. There is about $558,000,000 of gold coin and bullion in the Treasury and more than $250,000,000 of this amount is free gold owned absolutely by the Government. It is not very long ago that the situation was very different, and the Government was seeing its gold reserve drawn down almost to the last dollar.

The Government long ago ceased to be a factor in the securities market, although there is always a possibility of the United States Treasury causing a disturbance of the money market. The Government, unlike any large business concern, is constantly withdrawing money from circulation and locking it up. Sometimes the money withdrawn is not needed and therefore not missed, at other times every dollar drawn from the channels of trade by the Government causes distress.

At the present time no one seems to care how much money the Government locks up. That is partly due to the large increase in public money now deposited in the banks, but the abundant supply of money is the real cause of the indifference. With a stringent money market one-half of the surplus now in the Treasury would excite widespread criticism.

The stock market has lapsed into what might be called mid-summer dullness. There were few days last month when the total sales of stocks for the day amounted to 500,000 shares and there were several days when the sales were less than 200,000 shares. The total sales for the month were less than 8,000,000 shares, or nearly 6,000,000 shares less than in May and 18,000,000 shares less than in April. The sales in June last year were nearly 20,000,000 shares. Bond sales aggregated only $64,000,000 compared with about $80,000,000 in the same month in 1901.

If there has been a loss in activity at the Stock Exchange, however, the situation as regards confidence and freedom from unfavorable influences compares very satisfactorily with that of a year ago. Then there were bank suspensions in New York and Buffalo which were exercising a most depressing influence.

There are many evidences of increased conservatism which give stability to confidence. The capitalizing of new ventures is not nearly as extensive as it formerly was. According to the "Journal of Commerce" the capitalization of incorporations in Eastern States during June was $196,182,800, as compared with $303,450,000 in the same month last year. For the first half of 1902 the total was $1,254,207,800 this year and $2,476,330,000 last year. These figures are only for corporations having more than $1,000,000 each.

Much interest is taken concerning the wheat crop, as is usually the case at this time of year. The Government reported the average condition of spring wheat on June 1 at 95.4, as compared with 92 a year ago, and 87.3 on June 1, 1900. The average condition of winter wheat on June 1 was 76.1, as compared with 76.4 on May 1, 1902, 87.8 on June 1, 1901, and 82.7 on June 1, 1900.

From the Government figures the statistician of the Produce Exchange has prepared estimates of the probable wheat yield this year as compared with the official estimates for previous years:

YEAR.	SPRING WHEAT.			WINTER WHEAT.		
	Condition.	*Acreage.*	*Bushels.*	*Condition.*	*Acreage.*	*Bushels.*
1902..................	95.4	17,144,000	*289,734,000	76.1	27,103,000	*349,629,000
1901..................	92.0	21,145,951	818,785,000	87.8	28,749,563	429,675,000
1900..................	87.8	16,889,671	191,338,794	82.7	25,605,714	330,890,712
1899..................	91.4	18,771,770	250,624,260	67.3	25,820,737	296,679,586
1898..................	101.0	18,318,289	295,335,414	90.8	25,736,989	879,818,291
1897..................	89.6	15,282,624	197,448,063	78.5	24,232,442	332,701,105
1896..................	99.9	12,005,960	163,345,247	77.9	22,612,686	264,339,099
1895..................	97.8	11,570,269	209,396,570	71.1	22,477,063	257,709,377
1894..................	88.0	11,575,966	138,868,576	83.9	23,306,500	326,398,840
1893..................	86.4	11,760,879	120,642,916	77.7	22,868,539	275,489,000

* Estimated.

The indications are that the total wheat yield this year will approximate 640,000,000 bushels, which would be 100,000,000 bushels less than last year's crop, but 100,000,000 bushels more than the crop of either of the two previous years.

Late in the month the reports concerning the weather as affecting the growing wheat were unfavorable and there was a sharp advance in prices, July wheat closing in Chicago on June 30 at 74⅝. There was also a rise in corn, which closed at 72½ and on the following day advanced to 78, going above the price of wheat.

It is a feature of the present era that production along almost all lines is at the record-making point. The completed statistics for the year 1901 just published by the United States Geological Survey show that the production of crude petroleum in 1901 was 69,380,194 barrels, the largest ever known. This compares with 63,620,529 barrels in 1900 but the value was only $66,417,335 in 1901 as compared with $75,989,313 in the previous year.

The production of copper is now greater than ever before recorded, the total output in May being 25,763 tons. Since January 1 the production to May 31 was 113,700 tons and will probably exceed 138,000 tons for the first half of the year as compared with 133,894 tons in the same period last year.

Frequent mention has been made of the increased production of iron and steel in this country. General Manager James M. Swank recently completed his report for the year 1901, and it shows that the total production of iron ore was 28,887,479 tons, against 27,553,161 tons in 1900. The production of pig iron increased from 13,789,242 tons in 1900 to 15,878,354 tons in 1901, of Bessemer steel ingots and castings from 6,684,770 tons to 8,713,302 tons, open-hearth steel ingots from 3,398,135 to 4,656,309 tons, and all kinds of steel from 10,188,329 tons to 13,473,595 tons. The production of Bessemer steel rails increased from 2,383,654 tons to 2,870,816 tons, while the number of miles of railroad built was 5,368 in 1901, as against 4,157 miles in 1900.

Twenty States made pig iron in 1901, against twenty-one in 1899 and 1900. The total production of pig iron in 1901 was 15,878,354 gross tons, against 13,789,242 tons in 1900, 13,620,703 tons in 1899, 11,773,934 tons in 1898 and 9,652,680 tons in

PERIODS.	*1896.* *Gross tons.*	*1897.* *Gross tons.*	*1898.* *Gross tons.*	*1899.* *Gross tons.*	*1900.* *Gross tons.*	*1901.* *Gross tons.*
First half	4,976,236	4,403,476	5,869,703	6,289,167	7,642,569	7,674,613
Second half.............	3,646,891	5,249,204	5,904,231	7,331,536	6,146,673	8,203,741
Totals.............	8,623,127	9,652,680	11,773,934	13,620,703	13,789,242	15,878,354

1897. The production in 1901 was 2,089,112 tons more than in 1900. The preceding table gives the half-yearly production in the last six years:

A suggestion of the extensive resources of the country is afforded in reports concerning the production of precious metals in the far West. In the first half of the year the Cripple Creek production was $13,936,392 as compared with $12,192,500 in the first six months of 1900. The report on the output of Montana in 1901 shows that the total value of precious metals produced was $60,387,619 as follows: gold, $4,802,717; silver, $18,334,442; copper, $36,751,837, and lead, $498,622. Since gold was first discovered in Montana the output of that metal has aggregated $100,000,000.

The completed record of our foreign trade for the fiscal year ended June 30 has not yet been published. For the eleven months ended May 31 the exports of merchandise were valued at $1,292,000,000 which is $92,000,000 less than in the previous year. The total for the year will probably fall below $1,400,000,000 as compared with $1,487,000,000 in 1901. The imports are larger than in any previous year, amounting to nearly $830,000,000 in eleven months. They are likely to go above $900,000,000 for the year. The exports will exceed the imports by $500,000,000, the smallest balance since 1897.

Commercial failures for the first half of the year show a small increase as reported by R. G. Dun & Co. The figures for the first half of each of the last nine years are:

	Failures.	*Assets.*	*Liabilities.*
1902	6,165	$31,048,808	$60,374,856
1901	5,759	27,635,046	55,804,690
1900	5,332	43,436,559	74,747,452
1899	4,853	21,919,494	42,062,933
1898	6,718	48,008,339	67,444,639
1897	6,821	63,500,384	91,692,787
1896	7,026	64,990,582	97,869,682
1895	6,657	57,206,715	88,839,944
1894	7,031	70,427,567	101,578,152

THE MONEY MARKET.—The approach of July 1 when a large amount of money is paid out for semi-annual dividends and interest was awaited with some anxiety, and a flurry occurred at the close of the month, money on call advancing to 7 per cent.; a year ago it went to 10 per cent., so the present situation is not discouraging. The outlook is favorable for easy money and time money is loaned freely for the rest of the year. At the close of the month call money ruled at 3½ @ 7 per cent., most of the loans being made at between 5½ and 6 per cent. Banks and trust companies quote 3 per cent. as the minimum rate. Time money on Stock Exchange collateral is quoted at 4¼ per cent. for 30 to 90 days and 4½ per cent. for 4 to 7 months on good mixed collateral. For commercial paper the rates are 4½ per cent. for 60

MONEY RATES IN NEW YORK CITY.

	Feb. 1.	*Mar. 1.*	*April 1.*	*May 1.*	*June 1.*	*July 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances	2 —2½	2 —2½	3 —4½	3¾—8	2¾—3½	3½—7
Call loans, banks and trust companies	2½—	2½—	4½—	4 —	3 —	3 —
Brokers' loans on collateral, 30 to 60 days	3½—4	3½—4	....	4 — ½	4¼— ½	4¼—
Brokers' loans on collateral, 90 days to 4 months	3½—4	4 —4½	4¼— ¾	4 — ½	4¼— ½	4¼—4½
Brokers' loans on collateral, 5 to 7 months	3¾—4½	....	4¼— ¾	4 — ½	4¼— ½	4½—
Commercial paper, endorsed bills receivable, 60 to 90 days	4 —	4 —	4½—	4¼— ½	4¼— ½	4½—
Commercial paper prime single names, 4 to 6 months	4 —4½	4 —4½	4½—5	4½—5¼	4¼— ¾	4½—5
Commercial paper, good single names, 4 to 6 months	5 —5½	5 —5½	5½—	5 — ½	5 — ½	5 —5½

to 90 days' endorsed bills receivable, 4½ @ 5 per cent. for first-class 4 to 6 months' single names, and 5 @ 5½ per cent. for good paper having the same length of time to run.

New York City Banks.—The fluctuations in the local bank statements last month were less extreme than in May while the net change for the month may be considered favorable. The reserves are about $3,000,000 larger than they were a month ago and the surplus reserve is $1,000,000 larger. The latter on June 14 reached the highest point touched since February 15 last and at the close of the month was within $400,000 of the amount reported two weeks before. The surplus reserve is nearly $13,000,000 or about $4,500,000 greater than it was a year ago. The loans, after falling $4,500,000 in the first half of the month, were increased nearly $13,000,000 in the last two weeks, which latter figure represents the increase in deposits in the same two weeks. The net increase in loans for the month is about $8,300,000 and in deposits $7,500,000.

New York City Banks—Condition at Close of each Week.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
May. 31...	$885,592,600	$172,536,600	$76,474,000	$948,326,400	$11,929,000	$31,245,300	$1,015,078,000
June 7...	884,266,900	172,215,600	75,544,100	945,896,500	11,285,575	31,466,400	1,241,207,200
" 14...	881,070,400	172,378,700	76,645,800	942,868,600	13,302,350	31,410,800	1,095,281,000
" 21...	889,015,100	173,292,700	76,608,700	950,952,600	12,158,250	31,250,100	1,280,698,000
" 28...	893,871,800	173,684,500	78,301,200	955,829,400	12,978,350	31,456,000	1,223,624,400

Deposits and Surplus Reserve on or about the First of each Month

Month.	1900.		1901.		1902.	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$740,046,900	$11,168,075	$854,189,200	$11,525,900	$910,860,800	$7,515,575
February......	795,917,300	30,871,275	969,917,500	24,838,825	975,997,000	26,623,350
March.........	829,917,000	13,641,550	1,012,514,000	14,801,100	1,017,488,300	9,975,925
April.........	807,816,600	9,836,150	1,004,283,200	7,870,500	965,353,300	6,965,575
May...........	852,062,500	21,128,300	970,790,500	16,759,775	968,189,600	7,484,000
June..........	887,954,500	20,122,275	952,398,200	21,253,050	948,326,400	11,929,000
July..........	888,249,300	16,859,375	971,382,000	8,484,200	955,829,400	12,978,350
August........	887,841,700	27,535,975	955,912,200	22,165,350	....	....
September....	903,486,900	27,078,475	968,121,900	11,919,925	....	....
October.......	884,706,800	12,942,600	936,452,300	16,293,025	....	....
November	841,775,200	5,950,400	958,062,400	10,482,800	....	....
December.....	864,410,900	10,865,675	940,668,500	13,414,575	....	....

Deposits reached the highest amount, $1,019,474,200 on Feb. 21, 1901, loans, $988,191,200 on March 1, 1902, and the surplus reserve $111,623,000 on Feb. 8, 1894.

Non-Member Banks—New York Clearing-House.

Dates.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus.*
May 31....	$76,589,300	$82,565,800	$3,314,900	$4,214,400	$8,579,900	$3,127,500	* $1,404,750
June 7....	76,524,900	83,739,400	3,534,500	4,438,100	8,699,500	3,408,800	* 853,950
" 14....	77,240,800	84,559,100	3,570,700	4,442,400	8,980,800	3,110,000	* 1,085,875
" 21....	76,724,300	83,595,200	3,549,400	4,317,400	9,202,200	3,434,100	* 895,700
" 28....	76,691,100	83,056,500	3,592,200	4,346,700	9,331,400	3,266,400	* 227,425

* Deficit.

Boston Banks.

Dates.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
May 31.......	$185,309,000	$205,611,000	$15,869,000	$6,216,000	$5,004,000	$101,497,000
June 7.......	187,840,000	210,443,000	15,315,000	6,111,000	5,008,000	134,895,500
" 14.......	187,626,000	210,793,000	15,528,000	6,604,000	5,001,000	126,920,700
" 21.......	186,867,000	214,042,000	16,554,000	6,489,000	4,992,000	134,739,300
" 28.......	187,566,000	207,617,000	15,645,000	6,465,000	4,979,000	117,212,700

PHILADELPHIA BANKS.

DATES.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
May 31	$179,960,000	$215,239,000	$58,220,000	$9,106,000	$91,869,400
June 7	179,678,000	214,148,000	59,192,000	8,973,000	118,351,900
" 14	182,198,000	215,546,000	57,644,000	8,936,000	101,845,900
" 21	183,066,000	218,336,000	58,276,000	8,911,000	114,931,300
" 28	184,341,000	215,156,000	54,329,000	8,942,000	103,500,300

MONEY RATES ABROAD.—There were no changes in the posted rates of discount of the principal European banks last month. The Bank of England rate remains at 3 per cent. Discounts of 60 to 90 day bills in London at the close of the month were 2 9-16 @ 2 5/8 against 2 3/4 @ 2 7/8 per cent. a month ago. The open market at Paris was 2 1/2 per cent. against 1 3/4 per cent. a month ago, and at Berlin and Frankfort 2 1/8 @ 2 1/4 per cent., the same as a month ago.

MONEY RATES IN FOREIGN MARKETS.

	Dec. 13.	*Jan. 18.*	*Feb. 15.*	*Mar. 15.*	*Apr. 19.*	*May 10.*
London—Bank rate of discount	4	4	3	3	3	3
Market rates of discount:						
60 days bankers' drafts	3 5/8	2 15/16—3	2 11/16	2 5/8	2 13/16—7/8	2 3/4—13/16
6 months bankers' drafts	3 1/2—9/16	3 1/16	2 11/16	2 5/8	2 13/16—7/8	2 11/16
Loans—Day to day	2 1/2	2 1/2	2 3/4	1 1/2	1 1/2	1 1/2
Paris, open market rates	2 5/8	2 3/4	2 1/2	2 1/4	2 3/8	1 7/8
Berlin, "	2 7/8	2	1 7/8	1 7/8	1 3/4	1 7/8
Hamburg, "	2 7/8	2	1 7/8	1 7/8	1 3/4	1 7/8
Frankfort, "	2 7/8	2	1 7/8	1 7/8	1 3/4	1 7/8
Amsterdam, "	2 3/4	2 1/2	2 1/4	1 3/4	2 3/8	2 3/4
Brussels, "	2 1/4	2 3/8	2 1/4	2 1/4	2 1/4	2 1/8
Vienna, "	3 3/4	3	2 3/4	2 3/8	2 1/2	2 1/2
Madrid, "	4	3 1/2	3 1/2	3 1/2	3 1/2	4
Copenhagen, "	5	4 1/2	4	3 1/2	3 1/2	3 1/2

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	Mar. 12, 1902.	*Apr. 16, 1902.*	*May 14, 1902.*	*June 11, 1902.*
Circulation (exc. b'k post bills)	£28,562,805	£29,074,750	£29,563,425	£29,312,110
Public deposits	18,937,323	9,301,957	10,248,220	10,909,294
Other deposits	38,848,167	39,045,464	39,742,313	38,447,276
Government securities	16,274,386	14,774,386	14,824,008	14,296,385
Other securities	33,193,065	27,086,618	29,549,785	27,190,624
Reserve of notes and coin	26,861,814	24,394,213	23,572,121	25,774,710
Coin and bullion	37,649,019	35,693,962	35,360,546	37,311,820
Reserve to liabilities	46 5/16%	50 1/4%	46 11/16%	52%
Bank rate of discount	3%	3%	3%	3%
Price of Consols (2 3/4 per cents.)	94 5/16	93 11/16	95 1/8	96 3/4
Price of silver per ounce	25 1/8d.	24 1/8d	23 5/8d.	24 5/16d.
Average price of wheat	27s.od.	27s. 5d.	30s. 9d.	......

SILVER.—The silver market in London was stronger in June and advanced from 23 15-16d. to 24 7-16d. the latter price being recorded on June 18. At the close of the month the price was 24 1/4d. a net advance since May 31 of 7-16d.

MONTHLY RANGE OF SILVER IN LONDON—1900, 1901, 1902.

MONTH.	1900.		1901.		1902.		MONTH.	1900.		1901.		1902.	
	High	*Low.*	*High*	*Low.*	*High*	*Low.*		*High*	*Low.*	*High*	*Low.*	*High*	*Low.*
January..	27 3/4	27	29 9/16	27 7/8	26 1/16	25 5/8	July......	27 3/4	27 5/8	28 9/16	27 3/4	....	....
February	27 3/4	27 5/16	28 7/16	27 7/8	25 5/8	25 5/16	August ..	27 3/4	27 1/8	28 9/16	27 11/16	....	....
March....	27 11/16	27 7/16	28 9/16	27 5/16	25 7/16	24 13/16	Septemb'r	27 3/8	26 13/16	28 7/16	29 1/4	....	....
April.....	27 1/2	27 5/16	27 13/16	26 13/16	24 7/8	23 5/16	October..	26 13/16	26 5/8	30 3/16	29 1/8	....	....
May......	27 5/8	27 1/2	27 5/8	27 3/16	24 1/8	23 1/16	Novemb'r	27 5/16	26 11/16	29 13/16	29 7/16	....	....
June.....	28 3/16	27 5/16	27 5/8	27 1/4	24 7/16	23 15/16	Decemb'r	27 5/16	26 15/16	29 15/16	29 1/8	....	....

EUROPEAN BANKS.—The Bank of England has been gaining gold during the last month while France and Russia have suffered a slight loss. The figures for the Bank of England are not complete because of the bank holidays at the time of the proposed coronation.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	May 1, 1902.		*June 1, 1902.*		*July 1, 1902.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England	£35,925,872	....	£35,944,814	....	£38,930,659	....
France	102,861,149	£44,342,968	103,000,451	£44,702,801	102,808,038	£45,000,979
Germany	37,334,000	13,810,000	40,186,000	14,863,000	40,419,000	14,949,000
Russia	73,672,000	8,499,000	74,055,000	8,911,000	73,846,000	8,878,000
Austria-Hungary	44,308,000	12,457,000	44,253,000	12,603,000	44,277,000	12,767,000
Spain	14,099,000	18,429,000	14,125,000	18,679,000	14,158,000	19,179,000
Italy	16,110,000	2,133,100	16,162,000	2,189,600	16,155,000	2,101,100
Netherlands	4,783,100	6,617,900	4,878,400	6,784,000	4,767,300	6,815,500
Nat. Belgium	3,138,000	1,569,000	3,206,667	1,603,333	3,224,000	1,622,000
Totals	£332,226,121	£107,857,968	£335,806,332	£110,335,734	£338,599,997	£111,312,579

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	*Asked.*
Sovereigns & Bk. of Eng. notes	$4.87	$4.91
Twenty francs	3.88	3.92
Twenty marks	4.78	4.82
Twenty-five pesetas	4.78	4.81
Spanish doubloons	15.55	15.65
Mexican doubloons	15.55	15.65
Mexican 20 pesos	$19.55	$19.65
Ten guilders	3.96	4.00
Mexican dollars	.42⅛	.43⅛
Peruvian soles	.38½	.41½
Chilian pesos	.38½	.41½
Trade dollars	.55	.70

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 24¼d. per ounce. New York market for large commercial silver bars, 52¾ @ 53¾c. Fine silver (Government assay), 52⅛ @ 54¼c. The official price was 52½c.

GOLD AND SILVER COINAGE.—The mints coined only $500,345 gold last month making a total of $61,980,572.50 for the fiscal year ended June 30. The silver coinage in June was $2,464,352.75, a total of $30,116,369.75, and the minor coinage in June $248,286.27, a total of $2,429,736.17.

COINAGE OF THE UNITED STATES.

	1900.		*1901.*		*1902.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
January	$11,515,000	$2,364,161	$12,657,200	$2,718,000	$7,660,000	$2,908,637
February	13,401,900	1,940,000	9,230,300	2,242,166	6,643,850	2,489,000
March	12,596,240	4,341,876	6,182,152	3,120,580	1,558	2,965,577
April	12,922,000	3,930,000	18,958,000	2,683,000	3,480,315	3,388,278
May	8,252,000	3,171,000	9,325,000	3,266,000	426,000	1,873,000
June	3,820,770	2,094,217	5,948,060	2,836,185	500,345	2,464,353
July	6,540,000	1,827,827	4,225,000	1,312,000	....	....
August	5,050,000	2,536,000	6,780,000	3,141,000	....	....
September	2,298,335	3,932,185	4,100,178	3,899,524	....	....
October	5,120,000	4,148,000	5,750,000	2,791,489	....	....
November	13,185,000	3,130,000	6,270,000	917,000	....	....
December	4,576,697	2,880,555	12,309,338	1,966,514	....	....
Year	$99,272,942	$36,295,321	$101,735,187	$30,838,461	$18,712,068	$16,188,840

NATIONAL BANK CURRENCY.—While the circulation based on United States bonds increased $628,974 last month, that based upon the deposit of lawful money was reduced $704,067, making a decrease in the circulation outstanding $75,093. The bonds deposited to secure bank notes were increased about $1,000,000 and to secure public deposit nearly the same. The latter now amount to nearly $125,000,000 or nearly thirty per cent. of the total bonds held by the National banks. These institutions now have only about $3,000,000 more circulation than they had a year ago.

NATIONAL BANK CIRCULATION.

	Mar. 31, 1902.	Apr. 30, 1902.	May 31, 1902.	June 30, 1902.
Total amount outstanding	$357,476,407	$356,987,399	$356,747,184	$356,672,091
Circulation based on U. S. bonds	317,460,382	315,113,392	313,609,837	314,238,811
Circulation secured by lawful money	40,016,025	41,874,007	43,137,347	42,433,280
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	5,652,500	5,397,500	5,281,250	5,461,250
Five per cents. of 1894	333,400	343,400	343,400	455,900
Four per cents. of 1895	2,552,600	2,130,600	2,078,100	2,028,100
Three per cents. of 1898	3,462,080	3,325,080	3,310,080	3,210,080
Two per cents. of 1900	307,325,750	306,287,550	305,183,350	306,008,200
Total	$319,326,330	$317,484,130	$316,196,180	$317,163,530

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1907, $9,582,500; 5 per cents. of 1894, $949,000; 4 per cents. of 1895, $8,022,750; 3 per cents. of 1898, $7,691,100; 2 per cents. of 1900, $97,563,300; District of Columbia 3.65's, 1924, $910,000; a total of $124,718,650.

GOVERNMENT REVENUES AND DISBURSEMENTS.—The surplus receipts of the United States Treasury last month amounted to the exceptional sum of nearly $16,000,000, making nearly $27,000,000 in the last two months and more than $92,000,000 for the year ended June 30.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	June, 1902.	Since July 1, 1901.
Customs	$21,267,584	$254,456,927
Internal revenue	23,749,429	272,503,214
Miscellaneous	4,660,455	36,445,046
Total	$49,677,468	$563,405,187
Excess of receipts	15,839,609	92,195,546

EXPENDITURES.

Source.	June, 1902.	Since July 1, 1901.
Civil and mis.	$8,757,929	$113,488,202
War	7,827,051	112,216,683
Navy	5,855,250	67,858,590
Indians	774,149	10,049,523
Pensions	10,287,317	138,488,560
Interest	336,163	29,108,083
Total	$33,837,859	$471,209,641

FOREIGN EXCHANGE.—The sterling exchange market has been strong throughout the month but not very active. The supply of commercial bills has been light while late in the month the demand for cables for remittance for the semi-monthly settlement on June 30 was large.

RATES FOR STERLING AT CLOSE OF EACH WEEK.

WEEK ENDED.	BANKERS' STERLING. 60 days.	BANKERS' STERLING. Sight.	Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
May 31	4.84⅜ @ 4.84½	4.87 @ 4.87⅛	4.87⅜ @ 4.87½	4.84⅛ @ 4.84¼	4.83½ @ 4.84¾
June 7	4.84⅞ @ 4.85	4.87⅜ @ 4.87½	4.87⅞ @ 4.88	4.84⅜ @ 4.84½	4.83¾ @ 4.85
" 14	4.84⅞ @ 4.85	4.87⅜ @ 4.87½	4.87⅞ @ 4.88	4.84½ @ 4.84⅝	4.84 @ 4.85¼
" 21	4.85¼ @ 4.85⅜	4.87¾ @ 4.87⅞	4.88⅛ @ 4.88¼	4.84⅞ @ 4.85	4.84¼ @ 4.85½
" 28	4.85⅜ @ 4.85½	4.87¾ @ 4.87⅞	4.88¼ @ 4.88⅜	4.84⅞ @ 4.85	4.84¼ @ 4.85½

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	Mar. 1.	April 1.	May 1.	June. 1.	July 1.
Sterling Bankers—60 days	4.85⅛— ¼	4.85¼— ⅜	4.85⅜— ½	4.84⅜— ½	4.85⅜— ½
" " Sight	4.87¾— ⅞	4.87¾—88	4.87⅞—88	4.87 — ⅛	4.87¾— ⅞
" " Cables	4.88¼— ⅜	4.88¼— ½	4.88⅜— ½	4.87⅜— ½	4.88¼— ⅜
" Commercial long	4.84¾— 5	4.85 — ¼	4.84⅞—85	4.84⅛— ¼	4.84⅞— 5
" Docu'tary for paym't.	4.84¼— 5¼	4.84½— 5⅝	4.84⅝— 5⅝	4.83½— 4¾	4.84¼— 5½
Paris—Cable transfers	5.15 —14⅜	5.15 1/32—15	5.15 1/16— 1/32	5.16⅞—	5.15 —
" Bankers' 60 days	5.15⅛—17½	5.17½—	5.17½—	5.18¾—	5.18⅛—
" Bankers' sight	5.15⅛—15 1/16	5.15⅝—	5.15⅝—	5.17½—16⅞	5.15⅝—
Swiss—Bankers' sight	5.18¾—18½	5.18⅛—	5.18⅛—	5.18⅛—	5.17½—
Berlin—Bankers' 60 days	95 — 1/16	95 — 1/16	95 — 1/16	94¾— 13/16	95— 1/16
" Bankers' sight	95 3/16— ⅜	95⅜— 7/16	95 5/16— ⅜	95⅛— 3/16	95 11/16— ¾
Belgium—Bankers' sight	5.16¼—15⅝	5.16¼—	5.16¼—	5.17½—	5.16⅞— ¼
Amsterdam—Bankers' sight	40 3/16—40 1/16	40⅛— 3/16	40 3/16— ¼	40 1/16— ⅛	40.18—20
Kronors—Bankers' sight	26.85—87	26.84 —86	26.85—87	26.81— .83	26.85— 87
Italian lire—sight	5.25⅝—25¾	5.27½—26¼	5.27½ —26¼	5.25⅝—24⅜	5.22½—21¼

UNITED STATES PUBLIC DEBT.—There was no change in the principal of the interest-bearing debt last month, while certificates and Treasury notes were reduced $1,600,000. The aggregate debt is $2,158,000,000 as against $2,160,000,000 a month ago. The cash in the Treasury increased from $345,000,000 to $358,000,000 and the net debt, less cash in the Treasury, was reduced from $982,000,000 to $969,000,000.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1902.	*May 1, 1902.*	*June 1, 1902.*	*July 1, 1902.*
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent.......	$445,940,750	$445,940,750	$445,940,750	$445,940,750
Funded loan of 1907, 4 "	240,063,300	233,177,200	233,177,400	233,177,400
Refunding certificates, 4 per cent......	32,250	32,090	31,960	31,960
Loan of 1904, 5 per cent.................	20,060,150	19,410,850	19,410,350	19,410,350
" 1925, 4 "	139,618,600	134,994,300	134,994,200	134,994,200
Ten-Twenties of 1898, 3 per cent........	97,564,160	97,516,160	97,515,660	97,515,660
Total interest-bearing debt...........	$943,279,210	$931,070,750	$931,070,840	$931,070,340
Debt on which interest has ceased... ...	1,339,790	1,302,080	1,301,880	1,280,860
Debt bearing no interest:				
Legal tender and old demand notes.....	346,734,863	346,734,863	346,734,868	346,734,863
National bank note redemption acct..	35,003,208	41,873,958	41,839,395	42,071,969
Fractional currency....................	6,874,492	6,874,308	6,873,823	6,873,823
Total non-interest bearing debt......	$388,612,563	$395,483,129	$395,447,582	$395,680,156
Total interest and non-interest debt.	1,333,231,564	1,327,855,959	1,327,819,802	1,328,031,356
Certificates and notes offset by cash in the Treasury:				
Gold certificates........................	316,785,089	341,620,089	345,272,089	346,582,089
Silver "	456,087,000	455,944,000	455,607,000	453,997,000
Treasury notes of 1890	38,596,000	32,638,000	31,307,000	30,000,000
Total certificates and notes...........	$811,468,089	$830,202,089	$832,186,089	$830,579,089
Aggregate debt	2,144,699,653	2,158,058,048	2,160,005,891	2,158,610,445
Cash in the Treasury:				
Total cash assets	1,219,631,721	1,243,942,008	1,257,805,911	1,270,819,710
Demand liabilities.......................	898,028,443	909,202,019	912,455,681	912,245,594
Balance	$321,603,278	$334,739,963	$345,350,230	$358,574,115
Gold reserve..............................	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance........................	171,603,278	184,739,963	195,350,230	208,574,115
Total	$321,603,278	$334,739,963	$345,350,230	$358,574,115
Total debt, less cash in the Treasury.	1,011,628,286	993,115,976	982,468,572	969,457,241

FOREIGN TRADE.—With two exceptions the exports of merchandise in May were less in value than in any other month since July, 1899. The total in May was $102,265,588, while the lowest records for the period named were $101,569,695 in February, 1902, and $100,452,807 in July, 1900. The exports were $22,000,000 less than in May last year, making for the eleven months of the fiscal year a decrease of $92,000,000 compared with last year. The imports of merchandise were valued at

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF MAY.	MERCHANDISE.			Gold Balance.	Silver Balance.
	Exports.	*Imports.*	*Balance.*		
1897..................	$77,871,276	$79,358,147	Imp., $1,486,871	Exp., $8,516,956	Exp., $1,598,518
1898..................	111,283,435	53,584,651	Exp., 57,698,784	Imp., 13,212,954	" 2,609,953
1899..................	93,841,247	70,160,373	" 23,680,874	" 1,021,010	" 1,426,196
1900..................	113,427,849	71,653,525	" 41,774,324	Exp., 8,525,962	" 3,605,105
1901..................	124,567,911	78,642,703	" 45,925,208	" 8,328,343	" 1,640,754
1902..................	102,265,588	75,429,113	" 26,836,475	" 327,363	" 1,694,757
ELEVEN MONTHS.					
1897..................	977,800,522	679,547,391	Exp., 298,253,131	Imp., 51,186,820	Exp., 29,325,443
1898..................	1,136,503,607	564,784,243	" 571,719,184	" 102,030,200	" 22,049,611
1899..................	1,130,629,075	635,391,180	" 495,237,895	" 69,235,158	" 23,696,093
1900..................	1,285,831,125	788,939,817	" 496,891,308	" 671,117	" 21,167,628
1901..................	1,384,990,728	754,767,508	" 630,223,220	" 14,950,111	" 25,264,111
1902..................	1,292,422,975	829,952,130	" 462,470,845	Exp., 98,637	" 19,909,186

$75,429,118 in May, a decrease of $3,000,000 compared with those for May, 1901. For the eleven months, however, there is an increase of $75,000,000. The net exports for the month were nearly $27,000,000, a decrease from last year of $19,000,000, and for the eleven months they were $462,000,000, a decrease of $167,000,000.

MONEY IN CIRCULATION IN THE UNITED STATES.—There was a decrease of nearly $8,000,000 in the amount of money in circulation last month, the decrease in gold coin amounting to $2,600,000, but there was an increase of about $1,000,000 in gold certificates. The principal loss was in notes, including Treasury notes, United States notes and National bank notes, the decrease in which aggregated $5,000,000.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Apr. 1, 1902.	*May 1, 1902.*	*June 1, 1902.*	*July 1, 1902.*
Gold coin	$635,194,761	$637,432,952	$631,891,627	$629,271,532
Silver dollars	69,179,452	69,403,330	68,875,764	68,621,718
Subsidiary silver	82,692,435	82,854,599	82,638,865	82,814,940
Gold certificates	298,487,979	303,274,489	306,142,869	307,110,929
Silver certificates	447,582,592	449,123,504	447,949,416	446,650,243
Treasury notes, Act July 14, 1890	33,881,119	32,548,573	31,142,677	29,862,445
United States notes	336,693,845	338,108,114	338,144,787	336,265,855
National bank notes	348,335,174	348,004,681	347,630,020	345,931,750
Total	$2,252,047,357	$2,260,750,242	$2,254,415,975	$2,2[illegible]6,529,412
Population of United States	78,777,000	78,890,000	79,003,000	79,117,000
Circulation per capita	$28.59	$28.66	$28.54	$28.40

MONEY IN THE UNITED STATES TREASURY.—The total money in the United States Treasury increased nearly $12,000,000 last month while the certificates outstanding were reduced $1,600,000, making the net cash in the Treasury show an increase of more than $13,000,000.

MONEY IN THE UNITED STATES TREASURY.

	Apr. 1, 1902.	*May 1, 1902.*	*June 1, 1902.*	*July 1, 1902.*
Gold coin and bullion	$543,846,029	$546,219,775	$552,697,262	$559,302,052
Silver Dollars	466,941,477	468,217,664	470,245,230	471,405,336
Silver bullion	33,955,376	32,620,815	30,870,792	29,960,039
Subsidiary silver	10,725,509	12,444,591	12,793,627	14,042,045
United States notes	9,987,171	8,572,902	8,536,279	10,415,161
National bank notes	9,141,233	8,982,718	9,117,164	10,740,341
Total	$1,074,096,795	$1,077,058,465	$1,084,260,354	$1,095,864,974
Certificates and Treasury notes, 1890, outstanding	779,951,690	784,946,566	785,234,962	783,623,617
Net cash in Treasury	$294,145,105	$292,111,899	$299,025,392	$312,241,357

SUPPLY OF MONEY IN THE UNITED STATES.—The stock of money in the country increased more than $5,000,000 in June of which $4,000,000 was in gold. There was an increase of nearly $1,000,000 in silver dollars and of more than $1,000,000 in subsidiary silver coin.

SUPPLY OF MONEY IN THE UNITED STATES.

	Apr. 1, 1902.	*May 1, 1902.*	*June 1, 1902.*	*July 1, 1902.*
Gold coin and bullion	$1,178,540,790	$1,183,652,727	$1,184,588,889	$1,188,578,584
Silver dollars	536,120,929	537,620,994	539,120,994	540,027,054
Silver bullion	33,955,376	32,620,815	30,870,792	29,960,039
Subsidiary silver	93,417,944	95,299,190	95,432,492	96,856,985
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	357,476,407	356,987,399	356,747,184	356,672,091
Total	$2,546,192,462	$2,552,862,141	$2,553,441,367	$2,558,770,769

Certificates and Treasury notes represented by coin, bullion, or currency in Treasury are not included in the above statement.

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of June, and the highest and lowest during the year 1902, by dates, and also, for comparison, the range of prices in 1901:

	Year 1901.		Highest and Lowest in 1902.		June, 1902.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	91	42¼	84¾—Apr. 18	74¼—Jan. 27	83⅛	78⅞	82¼
″ preferred	108	70	103⅝—Jan. 6	95⅛—Jan. 27	101⅜	98	98¼
Baltimore & Ohio	114⅛	81¾	110 —Apr. 18	101 —Jan. 14	107⅛	105	106⅛
Baltimore & Ohio, pref.	97	83⅝	97 —Jan. 2	93¾—Feb. 21	95½	95	95½
Brooklyn Rapid Transit	88⅞	55⅞	72⅛—Apr. 28	60⅞—Feb. 14	68⅝	66¼	67½
Canadian Pacific	117⅛	87	141⅝—May 26	112¼—Jan. 28	140⅝	131¾	130⅛
Canada Southern	89	54⅛	97 —May 22	85⅛—Jan. 6	95½	91	92
Central of New Jersey	196⅝	145¾	198 —Jan. 6	187 —May 12	190	188	190
Ches. & Ohio vtg. ctfs.	52⅝	29	48⅝—Jan. 2	45 —Feb. 20	47¼	45⅞	46¾
Chicago & Alton	50⅛	27	39¼—Apr. 19	33⅛—Jan. 14	39	36¼	37⅛
″ preferred	82¼	72½	77⅝—June 19	74½—June 27	77⅝	74½	74⅝
Chicago & E. Illinois	140	91	195 —June 30	134¾—Jan. 6	195	150⅛	194⅝
″ preferred	136	120⅛	148⅛—June 26	137 —Jan. 10	148⅛	143	148½
Chicago, Great Western	27	16	32½—May 7	22⅝—Jan. 25	30⅛	27⅛	30
Chic., Indianapolis & Lou'ville	52⅞	23	80 —May 7	49¼—Jan. 14	75½	74½	75
″ preferred	77¾	58¾	90 —May 15	75 —Jan. 16	87½	85¼	86⅛
Chic., Milwaukee & St. Paul	188	134	176⅛—June 27	160⅛—Jan. 27	176⅛	167¾	175
″ preferred	200	175	196⅛—Apr. 4	186 —Jan. 14	191⅛	188½	190
Chicago & Northwestern	215	168⅛	271 —Apr. 29	204⅛—Jan. 14	257	248	251
″ preferred	248	207	274⅛—Apr. 29	230 —Jan. 18	270	260	270
Chicago, Rock I. & Pacific	175¼	117⅛	181¾—Mar. 22	152 —Jan. 15	174¼	170¼	172
Chic., St. Paul, Minn. & Om.	146¾	125	170½—Apr. 30	140 —Feb. 6	162	160	162
″ preferred	201	180	210 —Apr. 15	195 —Mar. 6	202	202	202
Chicago Terminal Transfer	31	10⅛	23¼—Apr. 21	15¼—Feb. 21	21¾	20⅛	21¼
″ preferred	57½	33	42 —Apr. 21	30¼—Feb. 20	39½	37	37½
Clev., Cin., Chic. & St. Louis	101	72⅛	107¼—Apr. 24	95⅛—Jan. 14	105⅝	103	103⅛
Col. Fuel & Iron Co.	136⅛	41¾	110½—Apr. 24	84 —Jan. 8	101½	85	91
Colorado Southern	18	6⅝	33 —Apr. 19	14⅛—Jan. 15	31¾	30¼	30¾
″ 1st preferred	60	40	75¼—Apr. 21	59¼—Jan. 15	71½	69½	71
″ 2d preferred	28¾	16⅛	47 —Apr. 21	28 —Jan. 14	44½	42	43
Consolidated Gas Co.	238	187	230¾—Apr. 25	213 —Jan. 16	222	218¼	221½
Delaware & Hud. Canal Co.	185½	105	184⅛—Jan. 7	170 —Mar. 11	176¾	172	175⅞
Delaware, Lack. & Western	258	188¼	297 —Feb. 4	253 —Jan. 15	278	278	278
Denver & Rio Grande	53⅛	29⅛	47 —Apr. 17	41 —Apr. 7	43	41¾	42¾
″ preferred	103¼	80	94⅝—Feb. 13	88¾—May 19	93⅝	90½	93⅛
Erie	45½	24⅛	44⅝—Jan. 2	35⅝—May 19	38	36⅛	36½
″ 1st pref.	75	59¾	75¾—Jan. 2	65¾—May 19	69	67	68¼
″ 2d pref.	63¾	39¼	63¾—Jan. 2	51 —May 17	53⅞	51	53
Evansville & Terre Haute	68	41	74⅝—Mar. 7	50 —Mar. 26	54	50⅛	50⅛
Express Adams	202	145	210 —Apr. 14	199 —Jan. 4	....	....	....
″ American	219	170	244¾—Feb. 11	210 —Jan. 6	226	223	226
″ United States	100	53	126¾—Apr. 17	97 —Jan. 2	116	114¼	114¼
″ Wells, Fargo	199¾	130	215 —Apr. 22	185 —Jan. 24	....	....	....
Great Northern, preferred	208	167½	191 —Jan. 6	181½—Mar. 5	190⅛	184	187½
Hocking Valley	75⅛	40½	88 —May 29	66 —Jan. 15	87¾	82¾	85¼
″ preferred	88½	69¾	93 —June 2	81⅛—Jan. 14	93	90	90
Illinois Central	154¾	124	161½—June 30	137 —Jan. 14	161½	150	160⅝
Iowa Central	43¾	21	51¼—Mar. 10	37½—Jan. 15	50	45⅛	48¾
″ preferred	87½	48	90⅝—Apr. 28	71 —Jan. 14	88½	82⅞	87½
Kansas City Southern	25	13⅛	35¼—May 23	19 —Jan. 15	34¾	31½	32¾
″ preferred	49	35	62¾—Apr. 21	44 —Jan. 14	62¼	59	59⅞
Kans. City Ft. S. & Mem. pref.	81¼	77½	85¼—Feb. 24	80⅞—Jan. 2	83½	82	82⅝
Lake Erie & Western	76½	39¾	71½—Jan. 3	64 —Jan. 15	66	64⅛	64½
″ preferred	135½	108⅛	138 —Feb. 6	125 —Jan. 15	....	....	....
Long Island	90	67	91⅞—May 2	78¾—Jan. 15	89	85⅝	85⅝
Louisville & Nashville	111¾	76	146 —May 7	102⅛—Jan. 27	138¼	135	137⅛
Manhattan consol	145	83	140⅝—Jan. 9	128 —Mar. 12	132⅞	130	131⅝
Metropolitan Street	177	150	174 —Feb. 5	146 —May 12	151⅞	148	148
Mexican Central	30	12¾	31⅛—Mar. 31	25⅞—Jan. 15	28⅞	26⅝	28½
Mexican National	15¼	8⅝	20¾—Mar. 10	14⅛—Jan. 15	....	....	....
Minneapolis & St. Louis	111¼	67¾	115 —Apr. 19	105 —Jan. 27	114½	110½	112
″ preferred	124	101¾	127¾—Apr. 28	118½—Jan. 22	127	125½	127
Missouri, Kan. & Tex.	35½	15	28 —June 23	24 —Mar. 5	28	25⅝	27¼
″ preferred	68⅝	37	59⅞—June 18	51 —Jan. 13	59⅞	55⅝	59

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	YEAR 1901.		HIGHEST AND LOWEST IN 1902.		JUNE, 1902.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Missouri Pacific	124⅛	69	111⅝—June 30	96¾—Mar. 11	111⅝	99⅝	111
N. Y. Cent. & Hudson River	174⅛	139⅜	168⅞—Jan. 2	153⅛—May 19	157⅛	153⅝	154⅝
N. Y., Chicago & St. Louis	57⅞	16	54¾—Apr. 17	46⅛—Jan. 15	54¼	51	52¼
· 2d preferred	95	47	92½—May 21	84 —Feb. 4	92	90	90
N. Y., Ontario & Western	40⅛	24	36⅛—Jan. 2	32 —Mar. 11	33¼	32¼	32⅞
Norfolk & Western	61⅜	42	59¾—Apr. 25	55 —Jan. 14	58¼	55⅛	56⅞
· preferred	92¼	82	93 —Jan. 14	90 —Feb. 21	91	90½	90½
North American Co.	109	73⅛	132¾—Apr. 29	88 —Jan. 28	125	120	121⅝
Pacific Mail	49⅛	30⅛	49⅝—Mar. 10	37⅛—May 17	43	39	41⅞
Pennsylvania R. R.	161⅛	137⅛	154⅞—May 2	147 —Jan. 14	152⅛	148¾	151¾
People's Gas & Coke of Chic.	120½	95¾	106 —Jan. 4	98¼—Jan. 9	102⅞	100⅛	101
Pullman Palace Car Co.	225	195½	250 —Apr. 29	215 —Jan. 13	235	235	235
Reading	58	24⅛	68⅛—Apr. 28	52¼—Mar. 10	68	61⅝	66⅝
· 1st prefered	82⅞	65	87 —Apr. 22	79⅞—Mar. 10	85⅛	82½	84¼
· 2d preferred	64½	38	74⅛—Apr. 22	60 —Jan. 14	71⅜	67¼	70
St. Louis & San Francisco	56⅛	21⅛	72⅝—Apr. 4	53¾—Jan. 2	70⅛	68	68⅝
· 1st preferred	88	75	88 —Jan. 11	83 —Feb. 5	85¼	83	83
· 2d preferred	76¼	53⅛	77 —Jan. 18	70½—May 15	73¾	71¾	72¼
St. Louis & Southwestern	39½	16	31⅜—June 30	24¾—Mar. 6	31⅜	27	30¾
· preferred	71	41⅛	68 —June 28	55¼—Mar. 5	68	58	67¼
Southern Pacific Co.	63⅝	29	69¼—Apr. 21	58 —Jan. 15	65¾	63½	64¼
Southern Railway	35¾	18	40½—Apr. 15	31⅞—Jan. 27	37½	35¾	36⅝
· preferred	94⅝	67¼	98½—Apr. 15	92 —Jan. 14	96	94¼	96
Tennessee Coal & Iron Co.	76⅝	49⅝	74⅝—Apr. 24	61½—Jan. 14	65	61½	63
Texas & Pacific	52¼	23¼	44⅞—Apr. 19	37⅛—Jan. 15	44½	40	44½
Toledo, St. Louis & Western	25⅛	10¾	23½—Feb. 11	18½—Jan. 21	21¼	20⅝	20¾
· preferred	39½	28	43⅜—Feb. 11	35 —Jan. 15	38½	36½	37¼
Union Pacific	133	76	108½—Apr. 21	96⅜—Feb. 28	106¾	103¾	105
· preferred	99½	81⅝	91⅜—Jan. 2	86⅝—Mar. 6	89⅝	87	88⅝
Wabash R. R.	26	11⅛	31½—June 24	21¾—Jan. 14	31½	26⅝	30⅝
· preferred	46⅛	23¾	47⅝—June 23	41½—Jan. 13	47⅝	43¼	46½
Western Union	100¼	81	94⅝—Apr. 19	88 —June 30	92¼	88	88
Wheeling & Lake Erie	22	11⅜	24 —Apr. 30	17 —Jan. 27	23	21⅛	22¾
· second preferred	38	24	38½—Apr. 30	28 —Jan. 14	37½	34	37
Wisconsin Central	26	14⅛	29⅛—May 7	19⅛—Jan. 30	28½	26½	27
· preferred	48¾	38½	51¼—May 7	39½ Jan. 24	50¾	47½	49¼
"INDUSTRIAL"							
Amalgamated Copper	130	60⅛	79 —Feb. 1	61 —Mar. 25	69¾	62¼	63⅜
American Car & Foundry	35	19	33⅜—June 17	28¼—Apr. 11	33⅜	30¾	32
· pref.	89	67	91⅞—Mar. 25	85¼—Jan. 14	91⅜	90½	91¼
American Co. Oil Co.	35½	24	57¾—Apr. 28	30½—Jan. 10	52¼	51	51½
American Ice	41⅜	25¾	31⅞—Jan. 2	12⅛—June 27	19	12⅛	12⅞
American Locomotive	37⅞	22½	36⅞—Apr. 29	29⅝—May 19	33½	31¾	31⅞
· preferred	91¼	83⅜	100¼—Apr. 29	89 —Jan. 3	94½	92	95
Am. Smelting & Refining Co.	69	38½	49⅝—May 26	43½—Apr. 22	49	46¾	47
· preferred	104⅞	88	100⅛—June 23	95 —Apr. 30	100⅛	97¾	98½
American Sugar Ref. Co.	153	103⅛	135⅛—Mar. 31	116¼—Jan. 6	129⅜	124¾	127⅞
Anaconda Copper Mining	54¼	28¼	146 —Feb. 1	105¼—June 24	116½	105¼	106
Continental Tobacco Co. pref.	124	93¼	126½—June 3	115 —Jan. 2	126½	120½	122
Distilling Co. of America	10½	6⅞	10 —Feb. 3	5 —June 23	8¼	5	5¼
· preferred	34½	23¼	42¾—Apr. 4	33 —Jan. 3	42½	34½	36½
General Electric Co.	289¾	183½	334 —Apr. 9	276¾ Jan. 15	321½	304	305
Glucose Sugar Refinding Co.	65	37	51½—Jan. 20	39⅜—Jan. 3	....	....	....
International Paper Co.	28	18½	23⅝—Mar. 20	19 —Jan. 14	21¼	20	21¼
· preferred	81½	69	77⅛—Jan. 6	72⅝—June 24	75½	72⅝	74½
International Power	100½	54⅞	199 —Apr. 29	55 —June 4	90	55	75
National Biscuit	46	37	53¼—Mar. 20	43⅝—Jan. 14	48⅞	47⅝	47⅝
National Lead Co.	25½	15	23½—May 23	15⅜—Jan. 13	23	21	21¼
Pressed Steel Car Co.	52	30	50¼—May 26	39 —Jan. 14	49¾	45½	46
Republic Iron & Steel Co.	24	11¾	20 —Apr. 24	15⅝—Jan. 2	18¼	17	17⅜
· preferred	82	55¼	76 —Apr. 25	68 —Jan. 16	75⅝	72¾	72¾
U. S. Leather Co.	16⅝	7¾	14¾—Apr. 3	11⅛—Feb. 20	13⅞	12½	12¾
· preferred	83¾	69½	86½—Apr. 2	79⅞—Jan. 21	86⅛	83⅜	84½
U. S. Rubber Co.	34	12½	19¼—Apr. 14	14 —Jan. 2	15	14½	14¾
· preferred	85	47	64 —Mar. 24	50⅛—Jan. 14	56¾	52½	54
U. S. Steel	55	24	46¾—Jan. 7	36¾—June 19	40¼	36¾	37½
· pref.	101⅞	69	97¾—Jan. 7	87½—June 19	90⅜	87½	88¾

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

Last Sale, Price and Date and Highest and Lowest Prices and Total Sales for the Month.

Note.—The railroads enclosed in a brace are leased to Company first named.

Name. Principal Due.	*Amount.*	*Int'st Paid.*	Last Sale. *Price.*	Last Sale. *Date.*	June Sales. *High.*	June Sales. *Low.*	June Sales. *Total.*
Ann Arbor 1st g 4's 1995	7,000,000	Q J	100	June 6,'02	100	99	10,000
Atch., Top. & S. F.							
Atch Top & Santa Fe gen g 4's. 1995	138,117,500	A & O	103½	June30,'02	103⅝	103¼	699,000
" registered	....	A & O	102¾	June26,'02	102¾	102	50,000
" adjustment, g. 4's 1995	31,055,000	NOV	94	June28,'02	94	93½	393,500
" registered	....	NOV	94½	Apr. 15,'02	....	....	....
" stamped 1995	20,673,000	M & N	91¾	June30,'02	92½	91¼	162,000
" serial debenture 4's—							
" series A 1903	2,500,000	F & A	....	....	....	....	....
" registered	....	F & A	....	....	....	....	....
" series B 1904	2,500,000	F & A	....	....	....	....	....
" registered	....	F & A	....	....	....	....	....
" series C 1905	2,500,000	F & A	....	....	....	....	....
" registered	....	F & A	....	....	....	....	....
" series D 1906	2,500,000	F & A	....	....	....	....	....
" registered	....	F & A	....	....	....	....	....
" series E 1907	2,500,000	F & A	....	....	....	....	....
" registered	....	F & A	....	....	....	....	....
" series F 1908	2,500,000	F & A	....	....	....	....	....
" registered	....	F & A	....	....	....	....	....
" series G 1909	2,500,000	F & A	....	....	....	....	....
" registered	....	F & A	....	....	....	....	....
" series H 1910	2,500,000	F & A	....	....	....	....	....
" registered	....	F & A	....	....	....	....	....
" series I 1911	2,500,000	F & A	....	....	....	....	....
" registered	....	F & A	....	....	....	....	....
" series J 1912	2,500,000	F & A	....	....	....	....	....
" registered	....	F & A	....	....	....	....	....
" series K 1913	2,500,000	F & A	....	....	....	....	....
" registered	....	F & A	....	....	....	....	....
" series L 1914	2,500,000	F & A	95¼	Apr. 28,'02	....	....	....
" registered	....	F & A	....	....	....	....	....
" Chic. & St. L. 1st 6's... 1915	1,500,000	M & S	....	....	....	....	....
Atl. Knox. & Nor. Ry. 1st g. 5s.. 1946	1,000,000	J & D	108¼	Dec. 20,'91	....	....	....
Balt. & Ohio prior lien g. 3½s.. 1925	69,798,000	J & J	97¼	June28,'02	97¼	96¼	222,500
" registered		J & J	97	Apr. 26,'02	....	....	....
" g. 4s 1948	65,963,000	A & O	102¾	June30,'02	103¼	102¼	406,000
" g. 4s. registered		A & O	102½	Feb. 19,'02	....	....	....
" ten year c. deb. g. 4's.. 1911	6,541,000	M & S	107⅛	June23,'02	107⅛	106⅛	133,000
Pitt Jun. & M. div. 1st g. 3½s. 1925	11,293,000	M & N	90⅝	June16,'02	91	90⅛	32,000
" registered		QFeb	....	....	....	....	....
Pitt L. E. & West Va. System refunding g 4s 1941	20,000,000	M & N	98	June27,'02	98	97½	68,000
" Southw'n div. 1st g. 3½s. 1925	41,990,000	J & J	91⅞	June30,'02	91⅞	91¼	395,000
" registered		Q J	90½	June 4,'01	....	....	....
Monongahela River 1st g. g., 5's 1919	700,000	F & A	114¼	June27,'02	114¼	114¼	2,000
Cen. Ohio. Reorg. 1st c. g. 4½'s, 1930	1,018,000	M & S	112	Nov. 14,'99	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's... 1937	4,407,000	M & S	117	June26,'02	117	117	7,000
Alleghany & Wn. 1st g. gtd 4's. 1998	2,000,000	A & O	....	....	....	....	....
Clearfield & Mah. 1st g. g. 5's.... 1943	650,000	J & J	128	June 6,'02	128	128	2,000
Rochester & Pittsburg. 1st 6's.. 1921	1,300,000	F & A	130	May 20,'02	....	....	....
" cons. 1st 6's, ... 1922	3,920,000	J & D	127½	May 17,'02	....	....	....
Buffalo & Susquehanna 1st g. 5's, 1913	575,000	A & O	100	Nov. 18,'99	....	....	....
" registered		A & O	....	....	....	....	....
" 1st refundg g. 4's 1951	3,021,000	J & J	103	June16,'02	103	102	15,000
" registered		J & J	....	....	....	....	....
Burlington, Cedar R. & N. 1st 5's, 1906	6,500,000	J & D	103⅝	June23,'02	103¾	103½	10,000
" con. 1st & col. tst 5's... 1934	7,803,000	A & O	124¼	June30,'02	125	124¼	11,000
" registered		A & O	124⅝	Feb. 28,'02	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 5's. 1921	1,905,000	A & O	118	Jan. 27,'02	....	....	....
Minneap's & St. Louis 1st 7's, g, 1927	150,000	J & D	140	Aug. 24,'95	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	June Sales. High.	June Sales. Low.	June Sales. Total.
Canada Southern 1st int. gtd 5's,	1908	14,000,000	J & J	107	June27,'02	107	106¾	78,000
• 2d mortg. 5's,	1913	6,000,000	M & S	109¾	June27,'02	110	109	26,000
• registered			M & S	107	Aug. 5,'01	....	....	....
Central Branch U. Pac. 1st g. 4's.	1948	2,500,000	J & D	93	June 3,'02	93	93	3,000
Cent. R. & Bkg. Co. of Ga. c. g. 5's,	1987	4,880,000	M & N	109	June 5,'02	109	109	7,000
Central R'y of Georgia, 1st g. 5's.	1945	7,000,000	F & A	122	May 27,'02	....	....	....
• registered $1,000 & $5,000			F & A	....	....	....	....	....
• con. g. 5's	1945	16,700,600	M & N	109½	June30,'02	109⅛	108⅛	274,000
• con. g. 5's, reg. $1,000 & $5,000			M & N	105½	Sept. 18,'01	....	....	....
• 1st. pref. inc. g. 5's,	1945	4,000,000	OCT 1	83	June30,'02	85	80	1,378,000
• 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	86¼	June30,'02	89⅝	84⅛	487,000
• 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	23	June24,'02	25⅞	21⅛	134,000
• Chat. div. pur. my. g. 4's.	1951	1,840,000	J & D	92	May 22,'02	....	....	....
• Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	95	Dec. 27,'99	....	....	....
• Mid. Ga. & Atl. div. g 5s.	1947	413,000	J & J	102	June29,'99	....	....	....
• Mobile div. 1st g. 5's	1946	1,000,000	J & J	112½	Apr. 30,'02	....	....	....
Central Railroad of New Jersey, 1st convertible 7's	1902	1,167,000	M & N	101¼	May 24,'02	....	....	....
• gen. g. 5's	1987	43,924,000	J & J	139⅛	June26,'02	139⅛	138⅝	56,000
• registered			Q J	138¼	June11,'02	138¼	137	29,000
Am. Dock & Improvm't Co. 5's,	1921	4,987,000	J & J	115	June25,'02	115	115	2,000
Lehigh & H. R. gen. gtd g. 5's	1920	1,062,000	J & J	..	....	....	....	....
Lehigh & W.-B. Coal con. 5's	1912	2,691,000	Q M	106	Mar. 27,'02	....	....	....
• con. extended gtd. 4½'s.	1910	12,175,000	Q M	102¾	June19,'02	102¾	102¾	14,000
N.Y. & Long Branch gen. g. 4's.	1941	1,500,000	M & S	....	....	....	....	....
Charleston & Sav. 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	112	May 27,'02	....	....	....
• Mortgage gold 6's	1911	2,000,000	A & O	114½	June25,'02	114½	114½	1,000
• 1st con. g. 5's	1939	25,858,000	M & N	120⅝	June27,'02	120¾	119¾	83,000
• registered			M & N	116	July 16,'01	....	....	....
• Gen. m. g. 4½'s	1992	32,833,000	M & S	108¼	June30,'02	108½	108	368,000
• registered			M & S	103	Apr. 18,'01	....	....	....
• Craig Val. 1st g. 5's	1940	650,000	J & J	116	June17,'02	116	116	1,000
• (R. & A. d.) 1st c. g. 4's,	1989	6,000,000	J & J	105⅛	June20,'02	105⅛	104⅝	5,000
• 2d con. g. 4's	1989	1,000,000	J & J	100	June26,'02	100	100	1,000
• Warm S. Val. 1st g. 5's,	1941	400,000	M & S	102¼	Feb. 20,'02	....	....	....
Greenbrier Ry. 1st gtd. 4's	1940	2,000,000	M & N	....	....	....	....	....
Chic. & Alton R. R. s. fund g. 6's.	1903	1,671,000	M & N	102⅛	June27,'02	102⅛	102⅛	1,000
• refunding g. 3's	1949	29,696,000	A & O	85⅛	June30,'02	85⅛	85	83,000
• • registered			A & O	....	....	....	....	....
Chic. & Alton Ry 1st lien g. 3½'s.	1950	22,000,000	J & J	85¼	June30,'02	86	85	122,000
• registered			J & J	83¾	Apr. 16,'02	....	....	....
Chicago, Burl. & Quincy con. 7's.	1903	21,699,000	J & J	106⅛	June23,'02	106⅛	106⅛	42,000
• Chic. & Iowa div. 5's	1905	2,320,000	F & A	104¾	Apr. 11,19'	....	....	....
• Denver div. 4's	1922	5,370,000	F & A	102	June26,'02	102	101½	9,000
• Illinois div. 3½s	1949	28,214,000	J & J	102	June28,'02	102⅝	102	28,000
• registered			J & J	....	....	....	....	....
• (Iowa div.) sink. f'd 5's,	1919	2,566,000	A & O	114¾	Apr. 18,'02	....	....	....
• 4's	1919	8,390,000	A & O	105	May 14,'02	....	....	....
• Nebraska extensi'n 4's,	1927	25,900,000	M & N	109⅛	June23,'02	109¼	109⅛	12,000
• registered			M & N	112¾	Apr. 17,'01	....	....	....
• Southwestern div. 4's.	1921	2,850,000	M & S	100	Mar. 20,'02	....	....	....
• 4's joint bonds	1921	215,153,000	J & J	97⅛	June30,'02	97¼	95⅞	11,015,000
• • registered			Q JAN	95	May 16,'02	....	....	....
• 5's, debentures	1913	9,000,000	M & N	108¼	June26,'02	108¼	108	16,000
Han. & St. Jos. con. 6's	1911	8,000,000	M & S	119	June27,'02	119	118¾	7,000
Chicago & E. Ill. 1st s. f'd c'y. 6's.	1907	2,989,000	J & D	111	June21,'02	111½	111	15,000
• small bonds			J & D	112	Apr. 2,'96	....	....	....
• 1st con. 6's, gold	1934	2,653,000	A & O	139½	June17,'02	139½	139½	2,000
• gen. con. 1st 5's	1937	12,986,000	M & N	124¼	June30,'02	124⅞	124⅛	119,000
• registered			M & N	124¾	Mar. 31,'02	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	125	May 6,'02	....	....	....
Chicago, Indianapolis & Louisville.								
• refunding g. 6's	1947	4,700,000	J & J	132½	June 9,'02	132½	132½	12,000
• ref. g. 5's	1947	3,842,000	J & J	117	June24,'02	117	116½	13,000
Louisv. N. Alb. & Chic. 1st 6's	1910	3,000,000	J & J	115	May 9,'02	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highes and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	*Principal Due.*	*Amount.*	*Int'st paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JUNE SALES. *High.*	JUNE SALES. *Low.*	JUNE SALES. *Total.*
Chicago, Milwaukee & St. Paul.								
Chicago Mil. & St. Paul con. 7's	1905	2,606,000	J & J	185	June 28,'02	185	185	18,000
" terminal g. 5's	1914	4,748,000	J & J	114⅝	June 2,'02	114⅝	114⅝	1,000
" gen. g. 4's, series A	1989	23,676,000	J & J	117	June 10,'02	117	117	10,000
" registered		....	Q J	105½	Feb. 19,'98	....	....	....
" gen. g. 3½'s, series B	1989	2,500,000	J & J	104¾	Jan. 29,'02	....	....	....
" registered			J & J	....		....	....	....
" Chic. & Lake Sup. 5's	1921	1,360,000	J & J	120½	Mar. 31,'02	....	....	....
" Chic. & M. R. div. 5's	1926	3,083,000	J & J	124⅛	Apr. 29,'02	....	....	....
" Chic. & Pac. div. 6's	1910	3,000,000	J & J	117½	May 6,'02	....	....	....
" 1st Chic. & P. W. g. 5's	1921	25,340,000	J & J	121½	June 30,'02	121½	121	26,000
" Dakota & Gt. S. g. 5's	1916	2,856,000	J & J	115¾	May 16,'02	....	....	....
" Far. & So. g. 6's assu	1924	1,250,000	J & J	127½	July 18,'98	....	....	....
" 1st H'st & Dk. div. 7's	1910	5,680,000	J & J	123¾	June 9,'02	123¾	123¾	2,000
" 1st 5's	1910	990,000	J & J	110½	Apr. 16,'02	....	....	....
" 1st 7's, Iowa & D, ex	1908	1,226,000	J & J	182½	Jan. 22,'02	....	....	....
" 1st 5's, La. C. & Dav	1919	2,500,000	J & J	118¾	May 26,'02	....	....	....
" Mineral Point div. 5's	1910	2,840,000	J & J	109⅛	Feb. 7,'02	....	....	....
" 1st So. Min. div. 6's	1910	7,432,000	J & J	117	June 5,'02	117	117	2,000
" 1st 6's, Southw'n div.	1909	4,000,000	J & J	115	Mar. 4,'02	....	....	....
" Wis. & Min. div. g. 5's	1921	4,755,000	J & J	120¾	May 21,'02	....	....	....
" Mil. & N. 1st M. L. 6's	1910	2,155,000	J & D	117	Mar. 19,'02	....	....	....
" 1st con. 6's	1913	5,092,000	J & D	123¼	May 14,'02	....	....	....
Chic. & Northwestern con. 7's	1915	12,832,000	Q F	136¾	June 24,'02	138	136¾	18,000
" gold 7's	1902	7,316,000	J & D	101½	June 26,'02	101⅛	101¼	31,000
" registered gold 7's	1902		J & D	101⅜	June 14,'02	101⅛	101¼	18,000
" extension 4's	1886–1926	18,632,000	F A 15	107	June 23,'01	107	107	2,000
" registered			F A 15	107	Mar. 7,19'	....	....	....
" gen. g. 3½'s	1987	13,059,000	M & N	106⅛	June 24,'02	106⅛	106⅛	2,000
" registered			Q F	103	Nov. 19,'98	....	....	....
" sinking fund 6's	1879–1929	5,808,000	A & O	118	Mar. 8,'02	....	....	....
" registered			A & O	111	Oct. 18,19'	....	....	....
" sinking fund 5s'	1879–1929	6,917,000	A & O	109	June 4,'02	109	109	1,000
" registered			A & O	107⅝	May 24,19'	....	....	....
" deben. 5's	1909	5,900,000	M & N	107⅝	June 27,'02	107⅝	107⅝	1,000
" registered			M & N	108	Oct. 8,'01	....	....	....
" deben. 5's	1921	10,000,000	A & O	115⅛	June 24,'02	115⅛	115⅛	4,000
" registered			A & O	114	Oct. 23,'01	....	....	....
" sinking f'd deben. 5's	1933	9,800,000	M & N	123⅛	June 13,'02	123⅛	123⅛	10,000
" registered			M & N	123	May 28,'01	....	....	....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's	1905	1,600,000	M & S	118	Jan. 23,'01	....	....	....
Northern Illinois 1st 5's	1910	1,500,000	M & S	109½	Mar. 7,'02	....	....	....
Ottumwa C. F. & St. P. 1st 5's	1909	1,600,000	M & S	110¼	Aug. 30,'01	....	....	....
Winona & St. Peters 2d 7's	1907	1,592,000	M & N	116⅛	June 10,'02	116⅛	116⅛	5,000
Mil., L. Shore & We'n 1st g. 6's	1921	5,000,000	M & N	134⅛	June 23,'02	134⅛	133⅞	8,000
" ext. & impt. s. f'd g. 5's	1929	4,148,000	F & A	126⅛	June 19,'02	126⅛	126⅛	3,000
" Ashland div. 1st g. 6's	1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
" Michigan div. 1st g. 6's	1924	1,281,000	J & J	139¾	Jan. 10,'02	....	....	....
" con. deb. 5's	1907	436,000	F & A	107½	Feb. 21,'01	....	....	....
" incomes	1911	500,000	M & N	110½	May 2,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup.	1917	12,500,000	J & J	131½	June 25,'02	131⅛	131⅛	1,000
" registered	1917		J & J	131	Apr. 7,'02	....	....	....
" gen. g. 4's	1988	59,581,000	J & J	112¼	June 28,'02	112¼	111⅛	208,000
" registered			J & J	112	Apr. 8,'02	....	....	....
" coll. trust serial 4's								
" series A	1903	1,470,000	M & N	....		....	....	....
" B	1904	1,470,000	M & N	....		....	....	....
" C	1905	1,470,000	M & N	100¼	June 27,'02	100¼	100¼	20,000
" D	1906	1,470,000	M & N	....		....	....	....
" E	1907	1,470,000	M & N	....		....	....	....
" F	1908	1,470,000	M & N	....		....	....	....
" G	1909	1,470,000	M & N	....		....	....	....
" H	1910	1,470,000	M & N	99⅝	June 30,'02	99⅝	99⅝	5,000
" I	1911	1,470,000	M & N	....		....	....	....
" J	1912	1,470,000	M & N	....		....	....	....
" K	1913	1,470,000	M & N	....		....	....	....
" L	1914	1,470,000	M & N	....		....	....	....
" M	1915	1,470,000	M & N	....		....	....	....
" N	1916	1,470,000	M & N	99⅝	June 28,'02	99⅝	99¼	15,000
" O	1917	1,470,000	M & N	....		....	....	....
" P	1918	1,470,000	M & N	....		....	....	....
Des Moines & Ft. Dodge 1st 4's	1905	1,200,000	J & J	99½	May 20,'01	....	....	....
" 1st 2½'s	1905	1,200,000	J & J	86¼	Aug. 25,19'	....	....	....
" extension 4 s		672,000	J & J	96	Dec. 19,19'	....	....	....
Keokuk & Des M. 1st mor. 5's	1923	2,750,000	A & O	110½	Apr. 4,'02	....	....	....
" small bond	1923	....	A & O	107	Oct. 1,'01	....	....	....

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Chic., St.P., Minn.& Oma.con.6's.	1930	14,494,000	J & D	138½	June27,'02	138½	138¼	39,000
Chic., St. Paul & Minn. 1st 6's.	1918	1,951,000	M & N	141⅝	Mar. 21,'02	....	....	....
North Wisconsin 1st mort. 6's.	1930	768,000	J & J	140	June 6,'02	140	140	5,000
St. Paul & Sioux City 1st 6's.	1919	6,070,000	A & O	129⅝	June28,'02	129⅝	128⅝	9,000
Chic., Term. Trans. R. R. g. 4's.	1947	18,635,000	J & J	90½	June27,'02	90¾	90	45,000
Chic. & Wn. Ind. gen'l g. 6's.	1932	9,868,000	Q M	117¾	June24,'02	117¾	117¾	4,000
Chic. & West Michigan R'y 5's.	1921	5,753,000	J & D	109	Apr. 28,'02	....	....	....
Choc., Oklahoma & Glf.gen.g. 5s.	1919	5,500,000	J & J	114½	May 14,'02	....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's.	1905	927,000	A & O	111½	Dec. 9,'01	....	....	....
" 2d g. 4½'s.	1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's.	1941	3,500,000	M & N	113¾	May 7,'02	....	....	....
Clev., Cin., Chic. & St.L. gen.g. 4's.	1993	15,650,000	J & D	102½	June27,'02	102½	102	102,000
" do Cairo div. 1st g. 4's.	1939	5,000,000	J & J	102	Apr. 9,'02	....	....	....
Cin., Wab. & Mich. div. 1st g. 4's.	1991	4,000,000	J & J	103¾	June27,'02	103¾	103¼	3,000
St. Louis div. 1st col. trust g.4's.	1990	9,750,000	M & N	104	June16,'02	104	103½	16,000
" registered				99	May 4,'99	....	....	....
Sp'gfield & Col. div. 1st g. 4's.	1940	1,035,000	M & S	100	June14,'01	....	....	....
White W. Val. div. 1st g. 4's.	1940	650,000	J & J	83	Nov. 22,'99	....	....	....
Cin., Ind., St. L. & Chic. 1st g.4's.	1936	7,685,000	Q F	105⅝	Mar. 31,'02	....	....	....
" registered				95	Nov. 15,'94	....	....	....
" con. 6's.	1920	668,000	M & N	107½	June30,'93	....	....	....
Cin., S'dusky & Clev. con. 1st g.5's	1928	2,571,000	J & J	115½	Apr. 23,'01	....	....	....
Clev., C., C. & Ind. con. 7's.	1914	3,991,000	J & D	134½	Jan. 7,'02	....	....	....
" sink. fund 7's.	1914		J & D	119⅝	Nov. 19,'89	....	....	....
" gen. consol 6's.	1934	3,205,000	J & J	138	May 9,'02	....	....	....
" registered			J & J	....	....	....	....	....
Ind. Bloom. & West. 1st pfd 4's.	1940	981,500	A & O	104½	Nov. 19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's.	1938	500,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's.	1940	8,103,000	A & O	100½	June27,'02	100½	99	41,000
" income 4's.	1990	4,000,000	A	74	June13,'02	74	73	40,000
Clev., Lorain & Wheel'g con.1st 5's	1933	5,000,000	A & O	116½	May 27,'02	....	....	....
Clev., & Mahoning Val. gold 5's.	1938	2,936,000	J & J	127½	Jan. 25,'02	....	....	....
" registered			Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 2-3-4's.	1947	7,500,000	J & J	85½	June30,'02	85½	84	170,000
" 1st g. 4's.	1947	1,446,000	J & J	85	June11,'02	85½	83½	19,000
Colorado & Southern 1st g. 4's.	1929	18,050,000	F & A	96	June28,'02	96¼	94½	827,000
Conn., Passumpsic Riv's 1st g. 4's.	1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's.	1907	3,067,000	M & S	117½	May 1,'02	....	....	....
Morris & Essex 1st m 7's.	1914	5,000,000	M & N	135	June24,'02	135	135	5,000
" 1st c. gtd 7's.	1915	12,151,000	J & D	137	June18,'02	137½	137	7,000
" registered			J & D	140	Oct. 26,'98	....	....	....
" 1st refund.gtd.g.3½'s.	2000	7,030,000	J & D	....	....	....	....	....
N. Y., Lack. & West'n. 1st 6's.	1921	12,000,000	J & J	135¾	June11,'02	135¾	135¾	8,000
" const. 5's.	1923	5,000,000	F & A	117	June25,'02	117	117	1,000
" terml. imp. 4's.	1923	5,000,000	M & N	102	June28,'02	103⅝	102	2,000
Syracuse, Bing. & N. Y. 1st 7's.	1906	1,966,000	A & O	114¼	May 28,'02	....	....	....
Warren Rd. 1st rfdg.gtd g.3½'s.	2000	905,000	F & A	....	....	....	....	....
Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's.	1917	5,000,000	M & S	143	June 5,'02	143	143	1,000
" reg.	1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's.	1906	3,000,000	A & O	115¾	Feb. 19,'02	....	....	....
" registered			A & O	122	June 6,'99	....	....	....
" 6's	1906	7,000,000	A & O	109	June12,'02	109	109	2,000
" registered			A & O	109½	Nov. 16,'01	....	....	....
Rens. & Saratoga 1st c. 7's.	1921	2,000,000	M & N	147½	June 3,'02	147½	147½	1,000
" 1st r 7's	1921		M & N	147½	June18,'01	147½	147½	5,000
Denver & Rio G. 1st con. g. 4's.	1936	31,050,000	J & J	104	June27,'02	104½	103¾	183,000
" con. g. 4½'s.	1936	6,382,000	J & J	110½	May 26,'02	....	....	....
" impt. m. g. 5's.	1928	8,103,500	J & D	110	June23,'02	111	109⅞	27,000
Denv. & Southern Ry g. s. fg. 5's.	1929	4,923,000	J & D	90	June30,'02	90	84½	39,000
Des Moines Union Ry 1st g. 5's.	1917	628,000	M & N	111	Feb. 28,'01	....	....	....
Detroit & Mack. 1st lien g. 4s.	1995	900,000	J & D	101	June10,'01	101	101	7,000
" g. 4s.	1995	1,250,000	J & D	95½	May 15,'02	....	....	....
Detroit Southern 1st g. 4's.	1951	2,750,000	J & D	86½	June30,'02	86½	85½	228,000
" Ohio South. div.1st g.4's.	1941	4,000,000	M & S	93⅞	June30,'02	94	93	28,000
Duluth & Iron Range 1st 5's.	1937	6,734,000	A & O	115	June20,'02	115	114½	6,000
" registered			A & O	101½	July 23,'89	....	....	....
" 2d l m 6s.	1916	2,000,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's.	1937	4,000,000	J & J	115	June20,'02	115	115	1,000
Elgin Joliet & Eastern 1st g 5's.	1941	8,352,000	M & N	114	June 5,'02	114	114	1,000

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Erie 1st ext. g. 4's	1947	2,482,000	M & N	118	May 14,'02	....	....	....
" 2d extended g. 5's	1919	2,149,000	M & S	119¼	June 6,'02	119¼	119¼	5,000
" 3d extended g. 4½'s	1923	4,618,000	M & S	116⅛	Apr. 16,'02	....	....	....
" 4th extended g. 5's	1920	2,926,000	A & O	120	May 26,'02	....	....	....
" 5th extended g. 4's	1928	709,500	J & D	109¼	Jan. 16,'02	....	....	....
" 1st cons gold 7's	1920	16,890,000	M & S	138¾	June30,'02	139	138¾	18,000
" 1st cons. fund g. 7's	1920	3,699,500	M & S	136	May 21,'02	....	....	....
Erie R.R. 1st con.g-4s prior bds.	1996	34,000,000	J&J	101⅝	June27,'02	102	100⅛	181,000
" registered			J&J	99	Aug.16,'01	....	....	....
" 1st con. gen. lien g. 4s.	1996	34,885,000	J&J	89	June30,'02	89	87¾	463,000
" registered			J&J	....		....	....	....
" Penn. col. trust g. 4's.	1951	32,000,000	F & A	94¾	June30,'02	95¼	94⅛	318,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	133	Jan. 9,'02	....	....	....
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J	....		....	....	....
" small			J&J	....		....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	124	June12,'02	124	123⅛	12,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	103¾	Apr. 1,'02	....	....	....
Long Dock consol. g. 6's	1935	7,500,000	A & O	137¼	June23,'02	137¼	137¼	1,000
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	....		....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	118½	Apr. 23,'02	....	....	....
N. Y. & Greenw'd Lake gt g 5's.	1946	1,452,000	M&N	109	Oct. 27,'98	....	....	....
" small						....	....	....
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	115¾	May 22,'02	....	....	....
N.Y., Sus.&W. 1st refdg. g. 5's	1937	3,750,000	J & J	117	May 29,'02	....	....	....
" 2d g. 4½'s	1937	453,000	F & A	103	Apr. 1,'02	....	....	....
" gen. g. 5's	1940	2,546,000	F & A	109	June26,'02	109	109	1,000
" term. 1st g. 5's	1943	2,000,000	M & N	116½	May 3,02'	....	....	....
" registered......$5,000 each			M & N	....		....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	114½	June24,'02	114½	114½	22,000
Evans. & Terre Haute 1st con. 6's	1921	3,000,000	J & J	126½	June 6,'02	126½	126½	10,000
" 1st General g 5's	1942	2,223,000	A & O	112	Mar. 18,'02	....	....	....
" Mount Vernon 1st 6's	1923	375,000	A & O	112	June 2,'02	112	112	1,000
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sept.15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	115	May 28,'02	....	....	....
Florida Cen. & Penins. 1st g 5's	1918	3,000,000	J & J	100	Sept. 6,'99	....	....	....
" 1st land grant ex. g 5's	1930	423,000	J & J	....		....	....	....
" 1st con. g 5's	1943	4,370,000	J & J	106½	Feb. 26,'02	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s	1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....
Ft. Worth & D. C. ctfs.dep.1st 6's	1921	8,176,000	......	113½	June28,'02	113⅞	113	304,000
Ft. Worth & Rio Grande 1st g 5's	1928	2,863,000	J & J	90¼	June30,'02	90½	90	28,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	103	May 22,'02	....	....	....
Geo. & Ala. 1st con. g 5s	1945	2,922,000	J & J	98½	Nov.27,19'	....	....	....
Ga. Car. & N. Ry. 1st gtd. g. 5's	1927	5,360,000	J & J	111½	Mar. 20,'02	....	....	....
Gulf & Ship Isl.1st refg.&ter.5's	1952	2,931,000	J & J	....		....	....	....
" registered			J & J	....		....	....	....
Hock. Val. Ry. 1st con. g. 4½'s	1999	11,237,000	J & J	111	June30,'02	111	110⅝	63,000
" registered			J & J	....		....	....	....
Col. Hock's Val. 1st ext. g. 4's	1948	1,401,000	A & O	105¾	Apr. 28,'02	....	....	....
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	115½	Apr. 15,'02	....	....	....
" registered			J&J	113½	Mar. 12,19'	....	....	....
" 1st gold 3½'s	1951	2,499,000	J&J	104½	Mar. 25,'02	....	....	....
" registered			J&J	102½	Apr. 15,'98	....	....	....
" 1st g 3s sterl. £500,000	1951	2,500,000	M & S	92½	July 13,'96	....	....	....
" registered			M & S	....		....	....	....
" total outstg....$13,950,000						....	....	....
" collat. trust gold 4's	1952	15,000,000	A & O	106½	June17,'02	106½	106½	15,500
" regist'd			A & O	102	Oct. 4,'01	....	....	....
" col.t.g.4sL.N.O.&Tex.	1953	24,679,000	M & N	104½	June28,'02	104½	104½	1,000
" registered			M & N	104⅝	May 20,'02	....	....	....
" Cairo Bridge g 4's	1950	3,000,000	J & D	....		....	....	....
" registered			J & D	123	May 24,'99	....	....	....
" Louisville div.g. 3½'s	1953	14,320,000	J & J	101¼	Apr. 2,'02	....	....	....
" registered			J & J	88½	Dec. 8,'99	....	....	....
" Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
" St. Louis div. g. 3's	1951	4,939,000	J & J	87½	May 24,'02	....	....	....
" registered			J & J	101¼	Jan. 31,19'	....	....	....
" g. 3½'s	1951	6,321,000	J & J	101	June19,'02	101	101	1,000
" registered			J & J	101½	Sept. 10,'95	....	....	....
" Sp'gfield div 1stg 3½'s,	1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
" registered			J & J	124	Dec. 11,'99	....	....	....
" West'n Line 1st g. 4's,	1951	5,425,000	F & A	113½	Feb. 24,'02	....	....	....
" registered			F & A	101½	Jan. 31,19'	....	....	....
Belleville & Carodt 1st 6's	1923	470,000	J & D	124	May 16,'01	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JUNE SALES. *High.*	JUNE SALES. *Low.*	JUNE SALES. *Total.*
Carbond'e & Shawt'n 1st g. 4's,	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's....	1951	16,555,000	J D 15	127¼	June30,'02	127¼	127¼	1,000
" gold 5's, registered........			J D 15	124	Sept.24,'01	....	....	....
" g. 3½'s................	1951	1,852,000	J D 15	104⅝	Apr. 11,'02	....	....	....
" registered................			J D 15	106¼	Aug.17,'99	....	....	....
" Memph. div. 1st g. 4's,	1951	3,500,000	J & D	106	Oct. 16,19'	....	....	....
" registered................			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's,	1931	538,000	M & S	101	Mar. 3,'02	....	....	....
Ind., Dec. & West. 1st g. 5's......	1935	1,824,000	J & J	109	June17,'02	109	106⅛	31,000
" 1st gtd. g. 5's............	1935	933,000	J & J	105⅛	Oct. 7,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's..	1950	4,850,000	J & J	102¾	Mar. 22,'02	....	....	....
Internat. & Gt. N'n 1st. 6's, gold.	1919	9,795,000	M & N	122	June 2,'02	122	122	6,000
" 2d g. 5's..................	1909	8,895,000	M & S	100⅝	June28,'02	100⅝	100	149,500
" 3d g. 4's..................	1921	2,729,000	M & S	75	May 13,'02	....	....	....
Iowa Central 1st gold 5's.........	1938	7,650,000	J & D	116	June16,'02	116	116	20,000
" refunding g. 4's ...	1951	2,000,000	M & S	97	June30,'02	97	97	25,000
Kansas C. & M. R. & B. Co. 1st gtd g. 5's........................	1929	3,000,000	A & O	....	....	....	....	....
Kansas City Southern 1st g. 3's..	1950	30,000,000	A & O	72¼	June30,'02	72⅝	72	158,000
" registered..................			A & O	63¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's...	1937	7,250,000	J & J	123	June27,'02	123	123	11,000
" 2d mtge. g. 5's...........	1941	3,625,000	J & J	117⅝	Feb. 5,'02	....	....	....
Northern Ohio 1st gtd g 5's...	1945	2,500,000	A & O	112½	May 23,'02	....	....	....
Lehigh Val. (Pa.) coll. g. 5's.....	1997	8,000,000	M & N	110	Feb. 3,'02	....	....	....
" registered..................			M & N	....	....	....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s.	1940	15,000,000	J&J	111⅛	June24,'02	111⅛	111⅛	5,000
" registered..................		....	J&J	109⅛	June18,'02	109⅛	109⅛	2,000
Lehigh Val. Ter. R. 1st gtd g. 5's.	1941	10,000,000	A & O	118⅝	June21,'02	118⅝	118⅝	5,000
" registered..................			A & O	109⅛	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's.	1933	10,280,000	J & J	109	June27,'01	....	....	....
" registered..............	1933		J & J	....	....	....	....	....
Lehigh & N. Y., 1st gtd g. 4's.....	1945	2,000,000	M&S	97	June19,'02	97	97	1,000
" registered..................			M&S	....	....	....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....	....	....	....	....
" " g. gtd 5's.......	1914	1,250,000	A & O	101⅛	Sept. 1,'99	....	....	....
Long Island 1st cons. 5's..........	1931	3,610,000	Q J	122	Mar. 27,'02	....	....	....
" 1st con. g. 4's............	1931	1,121,000	Q J	101	Nov.22,'99	....	....	....
Long Island gen. m. 4's..........	1938	3,000,000	J & D	102⅛	June30,'02	102⅛	101¾	25,000
" Ferry 1st g. 4½'s......	1922	1,500,000	M & S	103	May 29,'02	....	....	....
" g. 4's....................	1932	325,000	J & D	102⅛	May 5,'97	....	....	....
" unified g. 4's...........	1949	6,360,000	M & S	102	June23,'02	102	102	2,000
" deb. g. 5's.........	1934	1,135,000	J & D	111	Jan. 22,'02	....	....	....
Brooklyn & Montauk 1st 6's....	1911	250,000	M & S	....	....	....	....	....
" 1st 5's..................	1911	750,000	M & S	109⅛	June17,'96	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's, ..	1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's,	1927	883,000	M & S	112½	Jan. 10,'02	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's,	1932	1,425,000	QJAN	112½	Apr. 9,'02	....	....	....
Louis. & Nash. gen. g. 6's.......	1930	8,911,000	J & D	119	June27,'02	119	119	44,000
" gold 5's................	1937	1,764,000	M & N	116	June19,'02	116	116	1,000
" Unified gold 4's........	1940	29,276,000	J & J	103¾	June28,'02	103¾	103	151,000
" registered	1940		J & J	88	Feb. 27,'98	....	....	....
" collateral trust g. 5's,	1931	5,129,000	M & N	115	Feb. 24,'02	....	....	....
" coll. tr 5-20 g 4's..	1903-1918	7,500,000	A & O	100⅛	June28,'02	100⅛	100	140,000
" Cecilian branch. 7's....	1907	325,000	M & S	106	Dec. 31,19'	....	....	....
" E., Hend. & N. 1st 6's..	1919	1,840,000	J & D	115	May 9,'02	....	....	....
" L. Cin. & Lex. g. 4½'s...	1931	3,258,000	M & N	103	Jan. 18,'98	....	....	....
" N.O. & Mobile 1st g. 6's..	1930	5,000,000	J & J	130½	Feb. 28,'02	....	....	....
" 2d g. 6's................	1930	1,000,000	J & J	124⅝	Apr. 16,'02	....	....	....
" Pensacola div. g. 6's...	1920	580,000	M & S	116⅝	Mar. 22,'02	....	....	....
" St. Louis div. 1st g. 6's.	1921	3,500,000	M & S	125½	May 27,'02	....	....	....
" 2d g. 3's................	1980	3,000,000	M & S	75	June20,'02	75	75	1,000
" H. B'ge 1st sk'fd. g6's.	1931	1,652,000	M & S	....	....	....	....	....
" Ken. Cent. g. 4's......	1987	6,742,000	J & J	101	June17,'02	101	100¾	5,000
" L. & N. & Mob. & Montg 1st. g. 4½s...........	1945	4,000,000	M & S	110½	Mar. 20,'02	....	....	....
" N. Fla. & S. 1st g. g. 5's,	1937	2,096,000	F & A	114¾	Feb. 11,'02	....	....	....
" Pen. & At. 1st g. g, 6's,	1921	2,659,000	F & A	114½	June16,'02	114½	114½	2,000
" S. & N. A. con. gtd. g. 5's.	1936	3,673,000	F & A	115	Dec. 5,'01	....	....	....
" So. & N. Ala. si'fd. g. 6s.	1910	1,942,000	A & O	92½	Sept.30,'96	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's.	1945	3,000,000	M & S	100	Mar. 19,'01	....	....	....
Manhattan Railway Con. 4's.....	1990	28,065,000	A & O	104⅛	June30,'02	104¾	104⅛	12,000
" registered..................			A & O	105¼	May 7,'01	....	....	....

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE.		JUNE SALES.		
				Price.	*Date.*	*High.*	*Low.*	*Total.*
Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	113⅞	June27,'02	114⅜	113	36,000
Manitoba Swn. Coloniza'n g. 5's	1934	2,544,000	J & D	....	....	....	....	....
Mexican Central.								
" con. mtge. 4's	1911	65,643,000	J & J	84⅝	June30,'02	84⅝	82⅝	368,000
" 1st con. inc. 3's	1939	20,511,000	JULY	32½	June27,'02	33½	31¼	777,000
" 2d 3's	1939	11,724,000	JULY	22¼	June27,'02	22¼	21	298,000
" equip. & collat. g. 5's	1917	700,000	A & O	....	....	....	....	......
" 2d series g. 5's	1919	815,000	A & O	....	....	....	....	....
" col.trust g.4½'s1st se of	1907	10,000,000	F & A	98⅜	June30,'02	98⅜	96	115,000
Mexican Internat'l 1st con g. 4's	1942	4,635,000	M & S	90⅝	July 29,'01	....	....	....
Mexican Northern 1st g. 6's	1910	1,153,000	J & D	105	May 2,19'	....	....	....
" registered			J & D	....	....	....	....	....
Minneapolis & St. Louis 1st g. 7's	1927	950,000	J & D	147½	Jan. 9,'02	....	....	....
" Iowa ext. 1st g. 7's	1909	1,015,000	J & D	118	June10,'02	118	118	7,000
" Pacific ext. 1st g. 6's	1921	1,382,000	J & A	127	June10,'02	127	127	5,000
" Southw. ext. 1st g. 7's	1910	636,000	J & D	121	Jan. 21,'02	....	....	....
" 1st con. g. 5's	1934	5,000,000	M & N	123⅛	June24,'02	123⅛	122¾	15,000
" 1st & refunding g. 4's	1949	7,600,000	M & S	105½	June28,'02	105½	105	70,000
Minneapolis & Pacific 1st m. 5's	1936	3,208,000	J & J	102	Mar. 26,'87	....	....	....
" stamped 4's pay. of int. gtd.				....	....	....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's	1926	8,280,000	J & J	103	Nov. 11,'01	....	....	....
" stamped pay. of int. gtd.				89¾	June 18,'91	....	....	....
Minn., S. P. & S. S. M., 1st c. g. 4's	1938	21,949,000	J & J	98	Apr. 3,'01	....	....	....
" stamped pay. of int. gtd.				....	....	....	....	....
Missouri, K. & T. 1st mtge g. 4's	1990	39,718,000	J & D	100	June30,'02	100¼	99⅝	168,500
" 2d mtge. g. 4's	1990	20,000,000	F & A	85½	June30,'02	85½	83	362,000
" 1st ext gold 5's	1944	2,548,000	M & N	107½	June30,'02	107¾	104½	129,000
St. Louis div. 1st refundg 4s	2001	1,841,000	A & O	86	June27,'02	87⅞	85½	247,000
Dallas & Waco 1st gtd. g. 5's	1940	1,340,000	M & N	102¼	May 12,'02	....	....	....
Mo. K.&T. of Tex 1st gtd. g. 5's	1942	3,597,000	M & S	107¾	June27,'02	107¾	106	8,000
Sher.Shrevept & So1st gtd. g. 5's	1943	1,689,000	J & D	105½	Jan. 11,'02	....	....	....
Kan. City & Pacific 1st g. 4's	1990	2,500,000	F & A	90⅞	June 3,'02	90⅞	90½	2,000
Tebo. & Neosho 1st 7's	1903	187,000	J & D	....	....	....	....	....
Mo. Kan. & East'n 1st gtd. g. 5's	1942	4,000,000	A & O	111	June17,'02	111	111	6,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	124½	June30,'02	124¾	122¼	86,000
" 3d mortgage 7's	1906	3,828,000	M & N	112¾	June21,'02	112¾	111	11,000
" trusts gold 5's stamp'd	1917	14,376,000	M & S	109	June30,'02	109	107¾	94,000
" registered			M & S	....	....	....	....	....
" 1st collateral gold 5's	1920	9,636,000	F & A	107½	June30,'02	108	107	125,000
" registered			F & A	....	....	....	....	....
Cent. Branch Ry. 1st gtg. g. 4's	1919	3,459,000	F & A	93½	June17,'02	94	93½	59,000
Leroy & Caney Val. A. L. 1st 5's	1926	520,000	J & J	100	May 1,'01	....	....	....
Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	106	June13,'02	106	106	3,000
" 2d extended g. 5's	1938	2,573,000	F & A	116	June19,'02	116½	116	5,000
St. L. & I. g. con. R.R.&l.gr. 5's	1931	36,418,000	A & O	117¼	June23,'02	117¼	116½	93,000
" stamped gtd gold 5's	1931	6,945,000	A & O	115½	Dec. 17,'01	....	....	....
" unify'g & rfd'g g. 4's	1929	24,195,000	J & J	95	June30,'02	95	94	331,000
" registered			J & J	....	....	....	....	....
Verdigris V'y Ind. & W. 1st 5's	1926	750,000	M & S	....	....	....	....	....
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	109	Aug.31,19'	....	....	....
" small		226,000	J & J	....	....	....	....	....
" mtg. g. 4's	1945	700,000	J & J	93	Apr. 25,'02	....	....	....
" small		500,000	......	....	....	....	....	....
Mob. Jackson & Kan. City 1st g. 5's	1946	1,000,000	J & D	97	Apr. 30,'02	....	....	....
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	129	June25,'02	129	129	12,000
" 1st extension 6's	1927	974,000	J & D	127	Feb. 3,'02	....	....	....
" gen. g. 4's	1938	9,472,000	Q J	100	June17,'02	100	100	6,000
" Montg'ry div. 1st g. 5's	1947	4,000,000	F & A	117⅝	June10,'02	117⅝	117⅝	20,000
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	101½	June30,'02	101½	100½	10,000
" collateral g. 4's	1930	2,494,000	Q F	96½	Nov. 30,'01	....	....	....
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	128⅛	June12,'02	129	128⅛	3,000
" 1st cons. g. 5's	1928	7,412,000	A & O	114¼	June26,'02	114¼	114	6,000
" 1st g. 6's Jasper Branch	1923	371,000	J & J	123	Mar. 28,'01	....	....	....
" 1st 6's McM. M.W. & Al.	1917	750,000	J & J	108	Mar. 24,'96	....	....	....
" 1st 6's T. & Pb.	1917	300,000	J & J	110	Dec. 20,'99	....	....	....
Nat.R.R. of Mex. prior lien g. 4½'s	1926	20,000,000	J & J	104	June 9,'02	104	104	25,000
" 1st con. g. 4's	1951	22,000,000	A & O	78½	June26,'02	79½	78½	128,000
N. O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108½	Aug.13,'94	....	....	....

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	June Sales. High.	June Sales. Low.	June Sales. Total.
N. Y. Cent. & Hud. R. 1st c. 7's	1903	18,327,000	J & J	104 7/8	June23,'02	104 7/8	104 7/8	4,000
• 1st registered	1903		J & J	104 5/8	June10,'02	104 5/8	104 1/2	10,000
• g. mortgage 3 1/2s	1997	39,816,000	J & J	109	June25,'02	109	108 1/8	12,000
• • registered			J & J	108 1/2	Apr. 2,'02	....	....	....
• debenture 5's	1884-1904	4,499,000	M & S	103	June10,'02	103	103	10,000
debenture 5's reg			M & S	102 1/2	Apr. 29,'02	....	....	....
• reg. deben. 5's	1889-1904	649,000	M & S	103 1/8	Apr. 30,'01	....	....	....
• debenture g. 4's	1890-1905	5,097,000	J & D	101 3/4	Apr. 11,'02	....	....	....
• registered			J & D	100 1/4	Jan. 4,'02	....	....	....
• deb. cert. ext. g. 4's	1905	3,609,000	M & N	100 1/2	June10,'02	100 1/2	100 1/8	2,000
• registered			M & N	100 1/8	Nov. 21,'01	....	....	....
Lake Shore col. g. 3 1/2s	1998	90,578,000	F & A	95 3/4	June30,'02	95 3/4	94 7/8	225,000
• registered			F & A	93	June 9,'02	93 1/4	93	11,000
Michigan Central col. g. 3 1/2s	1998	19,336,000	F & A	94 1/2	June24,'02	95	94 1/2	19,000
• registered			F & A	93 1/4	Feb. 15,'02	....	....	....
Beech Creek 1st. gtd. 4's	1936	5,000,000	J & J	111 1/4	Oct. 10,'01	....	....	....
• registered			J & J	106	June17,'98	....	....	....
• 2d gtd. g. 5's	1936	500,000	J & J			....	....	....
• regis'ered		....	J & J			....	....	....
• ext. 1st. gtd. g. 3 1/2's	1951	4,500,000	A & O			....	....	....
• registered			A & O			....	....	....
Carthage & Adiron. 1st gtd g. 4's	1981	1,100,000	J & D			....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A.	1940	770,000	J & J	95	Apr. 3,'02	....	....	....
• small bonds series B		33,100	J & J			....	....	....
Gouv. & Oswega. 1st gtd g. 5's	1942	300,000	J & D			....	....	....
Mohawk & Malone 1st gtd g. 4's	1991	2,500,000	M & S	107 1/2	July 6,19'	....	....	....
• inc. 5's	1992	3,900,000	Sept.	110 1/4	Dec. 6,'01	....	....	....
N. Jersey Junc. R. R. g. 1st 4's	1986	1,650,000	F & A	108	Dec. 14,'01	....	....	....
• reg. certificates			F & A			....	....	....
N. Y. & Putnam 1st con. gtd g. 4's	1993	4,000,000	A & O	105 1/2	Nov. 15,'96	....	....	....
Nor. & Montreal 1st g. gtd 5's	1916	130,000	A & O			....	....	....
West Shore 1st guaranteed 4's	2361	50,000,000	J & J	115 3/4	June28,'02	116	114 1/2	88,000
• registered			J & J	113 3/4	June30,'02	115 1/2	113 1/2	28,500
Lake Shore con. 2d 7's	1903	6,312,000	J & D	104 1/2	June24,'02	104 1/2	104 1/2	1,000
• con. 2d registered	1903		J & D	104 3/8	May 20,'02	....	....	....
• g 3 1/2s	1997	43,119,000	J & D	109 1/2	May 14,'02	....	....	....
• registered			J & D	111	May 2,19'	....	....	....
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	114	Feb. 6,'02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's	1938	840,000	J & J			....	....	....
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	127 1/2	Feb. 6,'01	....	....	....
Pitt McK'port & Y. 1st gtd 6's	1932	2,250,000	J & J	146 3/8	Apr. 12,'01	....	....	....
• 2d gtd 6's	1934	900,000	J & J			....	....	....
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J			....	....	....
Michigan Cent. 6's	1909	1,500,000	M & S	118 5/8	Dec. 4,'01	....	....	....
• 5's	1931	3,576,000	M & S	128	June21,'02	128	128	1,000
• 5's reg	1931		Q M	127	June19,'02	127	127	3,000
• 4's	1940	2,600,000	J & J	110	Dec. 7,'01	....	....	....
• 4's reg			J & J	106 1/2	Nov. 26,19'	....	....	....
• g. 3 1/2's sec. by 1st mge. on J. L. & S.		2,000,000	M & S			....	....	....
Battle C. Sturgis 1st g. g. 3's	1989	476,000	J & D			....	....	....
N. Y. & Harlem 1st mort. 7's c	1900	12,000,000	M & N	102 3/4	Mar. 13,19'	....	....	....
• 7's registered	1900		M & N	102 3/4	Apr. 6,19'	....	....	....
N. Y. & Northern 1st g. 5's	1927	1,200,000	A & O	121 1/2	May 1,'02	....	....	....
R. W. & Og. con. 1st ext. 5's	1922	9,081,000	A & O	123 1/2	June17,'02	123 1/2	123 1/2	1,000
coup. g. bond currency			A & O			....	....	....
Oswego & Rome 2d gtd gold 5's	1915	400,000	F & A	113 3/4	Jan. 25,'02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's	1918	375,000	M & N			....	....	....
Utica & Black River gtd g. 4's	1922	1,800,000	J & J	110 1/2	Nov. 25,19'	....	....	....
N. Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	105 3/4	June30,'02	106	105 3/8	44,000
• registered			A & O	107	Dec. 20,'01	....	....	....
N. Y., N. Haven & H. 1st reg. 4's	1903	2,000,000	J & D	100	Dec. 18,'01	....	....	....
• con. deb. receipts	$1,000	15,007,500	A & O	225	June26,'01	225	225	1,000
• small certifs	$100	1,430,000	......	216	June26,'02	216	216	2,200
Housatonic R. con. g. 5's	1937	2,838,000	M & N	135 1/4	Jan. 14,'02	....	....	....
New Haven and Derby con. 5's	1918	575 000	M & N	115 1/2	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's	1905	6,000,000	J & J	114	Jan. 5,19'	....	....	....
• 1st 6's	1905	4,000,000	J & J	106 1/4	Mar. 18,'02	....	....	....
N. Y., Ont. & W'n. ref'ding 1st g. 4's	1992	16,937,000	M & S	103 3/4	June26,'02	104	103 1/8	51,000
• registered	$5,000 only.	....	M & S	101 1/2	Nov. 30,'98	....	....	....
Norfolk & Southern 1st g. 5's	1941	1,350,000	M & N	116 1/2	Mar. 25,'02	....	....	....
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	134	June10,'02	134	134	1,000
• imp'ment and ext. 6's	1934	5,000,000	F & A	133 3/4	May 29,'02	....	....	....
• New River 1st 6's	1932	2,000,000	A & O	135 1/4	May 26,'02	....	....	....

BOND QUOTATIONS.—Last sale, price and date: highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	June Sales. High	June Sales. Low.	June Sales. Total.
Norfolk & West. Ry 1st con. g. 4s.	1996		A & O	101⅛	June30,'02	102	101⅛	176,500
" registered........		83,210,500	A & O	100⅛	Jan. 18,'02	....	....	....
" small bonds..................			A & O	....	....	....	....	....
" Pocahon C.&C.Co.jt.4's.	1941	20,000,000	J & D	92⅞	June30,'02	93⅛	92	1,455,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	107⅛	July 1,'01	....	....	....
" Sci'o Val & N.E. 1st g.4's,	1989	5,000,000	J & N	101⅛	June26,'02	102¼	101⅛	6,000
N. P. Ry prior ln ry.&ld.gt.g.4's..	1997	98,868,500	Q J	105	June30,'02	105⅛	104¾	531,500
" registered..................			Q J	104	June 7,'02	104	104	2,000
" gen. lien g. 3's..........	2047	56,000,000	Q F	74⅛	June30,'02	75	73¼	404,000
" registered..................			Q F	72	Apr. 11,'02	....	....	....
St. Paul & Duluth div. g. 4's...	1996	9,215,000	J & D	102⅛	May 20,'02	....	....	....
" registered........			J & D	....	....	....	....	....
St. Paul & N. Pacific gen g. 6's.	1923	7,965,000	F & A	129⅛	May 1,'02	....	....	....
" registered certificates....			Q F	132	July 28,'98	....	....	....
St. Paul & Duluth 1st 5's.......	1931	1,000,000	F & A	122	Apr. 15, 02	....	....	....
" 2d 5's..................	1917	2,000,000	A & O	111⅛	June 3,'02	111⅛	111⅛	1,000
" 1st con. g. 4's..........	1968	1,000,000	J & D	102	Apr. 28,'02	....	....	....
Washington Cen. Ry 1st g. 4's..	1948	1,538,000	QMCH	94⅛	Feb. 19,'01	....	....	....
Nor. Pacific Term. Co. 1st g. 6's..	1933	3,741,000	J & J	119⅛	May 29,'02	....	....	....
Ohio River Railroad 1st 5's.......	1936	2,000,000	J & D	112⅛	June 3,'01	....	....	....
" gen. mortg. g 6's........	1937	2,428,000	A & O	108	June 2,02'	108	108	10,000
Pacific Coast Co. 1st g. 5's........	1946	4,446,000	J & D	111	June28,'02	113¾	109⅛	22,000
Panama 1st sink fund g. 4½'s....	1917	2,526,000	A & O	102⅛	May 14,'02	....	....	....
" s. f. subsidy g 6's........	1910	1,202,000	M & N	102	Apr. 14,'02	....	....	....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st.......	1921	19,467,000	J & J	113⅛	June30,'02	113⅛	113⅛	19,000
" reg....................	1921		J & J	112¼	June 9,'02	112¼	112¼	1,000
" gtd.3½ col.tr.reg. cts..	1937	5,000,000	M & S	114⅛	Feb. 15,'99	....	....	....
" gtd.3½ col.tr.cts.ser B	1941	10,000,000	F & A	97⅞	May 27,'02	....	....	....
" Trust Co. ctfs. g. 3½'s.	1916	20,000,000	M & N	97⅛	May 12,'02	....	....	....
Chic., St. Louis & P. 1st c. 5's..	1932	1,506,000	A & O	122⅛	May 2,'02	....	....	....
" registered................		....	A & O	110	May 3,'92	....	....	....
Clev.&P. gen.gtd.g.4½'s Ser. A.	1942	3,000,000	J & J	121	Oct. 22,19'	....	....	....
" Series B................	1942	2,000,000	A & O	....	....	....	....	....
" Series C 3½s..........	1948	3,000,000	M & N	....	....	....	....	....
" Series D 3½s..........	1950	1,718,000	F & A	....	....	....	....	....
E.&Pitts. gen.gtd.g.3½s Ser. B..	1940	2,250,000	J & J	102	Nov. 7,19'	....	....	....
" " " C..	1940	1,508,000	J & J	....	....	....	....	....
Newp. & Cin. Bge Co. gtd g. 4's..	1945	1,400,000	J & J	....	....	....	....	....
Pitts., C. C. & St. L. con. g 4½'s..								
" Series A..............	1940	10,000,000	A & O	115⅛	June17,'02	115⅛	115	9,000
" Series B gtd..........	1942	8,786,000	A & O	115⅛	June21,'02	115⅛	115⅛	5,000
" Series C gtd..........	1942	1,379,000	M & N	116⅛	Feb. 14,'01	....	....	....
" Series D gtd. 4's......	1945	4,988,000	M & N	106¾	Nov. 4,'01	....	....	....
" Series E gtd. g. 3½s...	1949	11,257,000	F & A	97⅛	June13,'02	97⅛	97	30,000
Pitts., Ft. Wayne & C. 1st 7's..	1912	2,407,000	J & J	132	June13,'02	132	132	4,000
" 2d 7's..................	1912	2,047,500	J & J	131⅛	May 2,'02	....	....	....
" 3d 7's..................	1912	2,000,000	A & O	130	Apr. 11,'01	....	....	....
Penn. RR. Co. 1st Rl Est. g 4's...	1923	1,675,000	M & N	110⅛	Mar. 8,'02	....	....	....
con. sterling gold 6 per cent...	1905	22,762,000	J & J	....	....	....	....	....
con. currency, 6's registered...	1905	4,718,000	Q M 15	....	....	....	....	....
con. gold 5 per cent............	1919	4,998,000	M & S	....	....	....	....	....
" registered................			Q M	....	....	....	....	....
con. gold 4 per cent............	1943	3,000,000	M & N	....	....	....	....	....
Allegh. Valley gen. gtd. g. 4's..	1942	5,389,000	M & S	110	Aug.28,19'	....	....	....
Clev. & Mar. 1st gtd g. 4½'s.....	1935	1,250,000	M & N	112¾	Mar. 7,19'	....	....	....
Del.R. RR.& BgeCo 1stgtdg.4's,	1936	1,300,000	F & A	....	....	....	....	....
G.R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	111⅛	Mar. 19,'02	....	....	....
Sunbury & Lewistown 1stg.4's.	1936	500,000	J & J	....	....	....	....	....
U'd N. J. RR. & Can Co. g 4's...	1944	5,646,000	M & S	117	May 1,19'	....	....	....
Peoria & Pekin Union 1st 6's....	1921	1,495,000	Q F	130¼	Feb. 10,'02	....	....	....
" 2d m 4½'s................	1921	1,499,000	M & N	101	Oct. 31,19'	....	....	....
Pere Marquette.								
Flint & Pere Marquette g. 6's..	1920	3,999,000	A & O	125	June28,'02	125	124⅝	6,000
" 1st con. gold 5's........	1939	2,850,000	M & N	112	May 24,'02	....	....	....
" Port Huron d 1st g 5's.	1939	3,325,000	A & O	114	June13,'02	114	114	5,000
Sag'w Tusc. & Hur. 1st gtd.g.4's.	1931	1,000,000	F & A	....	....	....	....	....
Pine Creek Railway 6's..........	1932	3,500,000	J & D	137	Nov. 17,'93	....	....	....
Pittsburg, Clev. & Toledo 1st 6's.	1922	2,400,000	A & O	107⅛	Oct. 26,'93	....	....	....

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NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	JUNE SALES. High.	JUNE SALES. Low.	JUNE SALES. Total.
Pittsburg, Junction 1st 6's	1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A.	1928	2,000,000	A & O	112	Mar. 25,'98	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's,	1940	3,000,000	A & O	121	May 2,'02	....	....	....
• 1st cons. 5's	1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....
Pittsburg & West'n 1st gold 4's,	1917	1,589,000	J & J	102⅛	June19,'02	102⅛	102	8,000
• J. P. M. & Co., ctfs.,	....	8,111,000	......	101	Apr. 23,'02	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's,	1927	1,562,000	M & N	111	June 3,'02	111	111	1,000
Reading Co. gen. g. 4's	1997	62,960,000	J & J	100⅛	June30,'02	101	99⅞	692,000
• registered			J & J	92	Apr. 16,19'	....	....	....
• Jersey Cent. col. g. 4's	1957	23,000,000	......	96¼	June30,'02	96⅛	96⅛	144,000
• • registered		....	......	....		....	....	....
Rio Grande West'n 1st g. 4's	1939	15,200,000	J & J	102⅞	June30,'02	102⅞	101¾	57,000
• mge & col. tr. g. 4's ser. A.	1949	10,000,000	A & O	94¾	June19,'02	94¾	94	17,000
• Utah Cen. 1st gtd. g. 4's.	1917	550,000	A & O	97	Jan. 3,02'	....	....	....
Rio Grande Junc'n 1st gtd. g. 5's,	1939	1,850,000	J & D	114	May 13,'02	....	....	....
Rio Grande Southern 1st g. 4's	1940	2,233,000	J & J	94⅝	June28,'02	94⅝	94½	12,000
• guaranteed		2,277,000	......	92½	Apr. 30,'02	....	....	....
Rutland RR 1st con. g. 4½ s	1941	2,440,000	J & J	....		....	....	....
{ Ogdnsb. & L. Ch'n. Ry. 1st gtd g 4s	1948	4,400,000	J & J	....		....	....	....
{ Rutland Canadian 1st gtd. g. 4's.	1949	1,350,000	J & J	101¼	Nov. 18,'01	....	....	....
Salt Lake City 1st g. sink fu'd 6's,	1913	297,000	J & J	....		....	....	....
St. Jo. & Gr. Isl. 1st g. 2.342	1947	3,500,000	J & J	99½	June28,'02	99½	98	36,000
St. L. & Adirondack Ry. 1st g. 5's.	1996	800,000	J & J	....		....	....	....
• 2d g. 6's	1996	400,000	A & O	....		....	....	....
St. Louis & San F. 2d 6's, Class B,	1906	999,000	M & N	108¼	June24,'02	108¼	108¼	5,000
• 2d g. 6's, Class C	1906	830,000	M & N	107	May 14,'02	....	....	....
• gen. g. 6's	1931	3,715,000	J & J	131¾	June25,'02	131¾	131½	4,000
• gen. g. 5's	1931	5,817,000	J & J	117	June20,'02	117	117	1,000
St. L & San F. R. R. con. g. 4's.	1996	1,595,000	J & D	99	June 5,'02	99	99	10,000
• S. W. div. g. 5's	1947	830,000	A & O	100	Jan. 3,'02	....	....	....
• refunding g. 4's	1951	40,514,000	J & J	97¾	June19,'02	98	97	18,000
• • registered			J & J	....		....	....	....
Kan. Cy Ft. S. & Mem R R con g 6's	1928	13,736,000	M & N	125⅛	June16,'01	125⅛	125⅛	2,000
Kan. Cy Ft. S & M Ry ref g gtd g 4s.	1936	11,650,000	A & O	90⅝	June27,'02	91¼	90⅝	27,000
• registered			A & O	....		....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs.,	1989	20,000,000	M & N	99⅞	June30,'02	100¼	98½	507,000
{ • 2d g. 4's inc. Bd. ctfs.	1989	10,000,000	J & J	87¼	June30,'02	87½	85	427,500
{ • Trust Co. certifs			......	81⅝	June 3,'02	81¾	81⅝	35,000
{ Gray's Point, Term. 1st gtd. g. 5's.	1947	339,000	J & D	....		....	....	....
St. Paul, Minn. & Manito'a 2d 6's	1909	7,552,000	A & O	115½	June12,'02	115½	115½	24,000
• 1st con. 6's	1933	13,344,000	J & J	141	Apr. 30,'02	....	....	....
• 1st con. 6's, registered			J & J	140	May 14,'02	....	....	....
• 1st c. 6's, red'd to g. 4½'s		20,231,000	J & J	115¼	June25,'02	115½	115	36,000
• 1st cons. 6's register'd			J & J	115¼	Apr. 15,'01	....	....	....
• Dakota ext'n g. 6's	1910	5,578,000	M & N	115⅜	June24,'02	115⅜	115⅜	1,000
• Mont. ext'n 1st g. 4's	1937	10,185,000	J & D	107¾	May 27,'02	....	...	....
• registered			J & D	106	May 6,'01	....	....	....
Eastern R'y Minn, 1st d. 1st g. 5's	1908	4,700,000	A & O	106⅜	June 3,'02	106⅜	106⅜	5,000
• registered			A & O	....		....	....	....
• Minn, N. div. 1st g. 4's	1940	5,000,000	A & O	....		....	....	....
• registered			A & O	....		....	....	....
Minneapolis Union 1st g. 6's	1922	2,150,000	J & J	128	Apr. 4,19'	....	....	....
Montana Cent. 1st 6's int. gtd	1937	6,000,000	J & J	141¼	Apr. 24,'02	....	....	....
• 1st 6's, registered			J & J	115	Apr. 24,'97	....	....	....
• 1st g. g. 5's	1937	4,000,000	J & J	124½	June12,'02	124½	124½	1,000
• registered			J & J	....		....	....	....
Willmar & Sioux Falls 1st g. 5's,	1938	3,625,000	J & D	125⅛	Feb. 17,'02	....	....	....
• registered			J & D	....		....	....	....
San Fe Pres. & Phoe. Ry. 1st g. 5's,	1942	4,940,000	M & S	111	Aug. 15,'01	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's,	1919	3,872,000	J & J	113¾	Dec. 11,'01	....	....	....
Sav. Florida & Wn. 1st c. g. 6's	1934	4,056,000	A & O	128	Dec. 31,'01	....	....	....
• 1st g. 5's	1934	2,444,000	A & O	112	Mar. 17,'99	....	....	....
• St. John's div. 1st g. 4's.	1934	1,350,000	J & J	95¼	Nov. 30,'01	....	....	....
Alabama Midland 1st gtd. g. 5s.	1928	2,800,000	M & N	110	May 28,'02	....	....	....
Brunsw. & West. 1st gtd. g. 4's	1938	3,000,000	J & J	87	Aug. 22,'01	....	....	....
Sil. S. Oc. & G. R. R. & lg. gtd. g. 4's.	1918	1,107,000	J & J	93	Apr. 7,'02	...	....	....
Seaboard Air Line Ry g. 4's	1950	12,775,000	A & O	85¾	June28,'02	86½	85¼	138,000
• registered			A & O	....		....	....	....
• col. trust refdg g. 5's	1911	8,309,000	M & N	103½	June30,'02	103½	103	97,000

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JUNE SALES. *High.*	JUNE SALES. *Low.*	JUNE SALES. *Total.*
Seaboard & Roanoke 1st 5's......1926	2,500,000	J & J	104¾	Feb. 5,'98	....	....	....
Carolina Central 1st con. g. 4's.1949	2,847,000	J & J	96¼	Mar. 3,'02	....	....	....
Sodus Bay & Sout'n 1st 5's, gold, 1924	500,000	J & J	100	Dec. 4,'01	....	....	....
Southern Pacific Co.							
" 2-5 year col. trust g. 4½'s.1905	15,000,000	J & D	99⅝	June26,'02	99¾	99	190,000
" g. 4's Central Pac. coll..1949	28,818,500	J & D	92⅝	June30,'02	93¾	92	669,000
" " registered......		J & D	95	Apr. 10,'02	....	....	....
Austin & Northw'n 1st g. 5's...1941	1,920,000	J & J	111	June26,'01	....	....	....
Cent. Pac. 1st refud. gtd.g. 4's..1949	58,041,000	F & A	102¾	June30,'02	103⅛	102½	291,000
" registered...............		F & A	99⅞	June 1,19'	....	....	....
" mtge. gtd. g. 3½'s...1929	19,027,500	J & D	88⅛	June30,'02	88⅛	87	217,000
" " registered		J & D	....		....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's..1910	4,756,000	F & A	113	June27,'02	113	111⅝	8,000
" 2d g 7's...............1905	1,000,000	J & D	108	Mar. 26,'02	....	....	....
" Mex. & P. div 1st g 5's.1931	13,418,000	M & N	110¼	Apr. 28,'02	....	....	....
Gila Val.G.& N'n 1st gtd g 5's.1924	1,514,000	M & N	106	May 14,'02	....	....	....
Houst. E. & W. Tex. 1st g. 5's..1933	501,000	M & N	106	Feb. 24,'02	....	....	....
" 1st gtd. g. 5's..........1933	2,199,000	M & N	104½	July 13,19'	....	....	....
Houst. & T.C. 1st g 5's int. gtd..1937	6,060,000	J & J	112½	June30,'02	112½	112½	5,000
" con. g 6's int. gtd......1912	2,961,000	A & O	113½	June25,'02	113½	113½	6,000
" gen. g 4's int. gtd......1921	4,287,000	A & O	95⅛	June27,'02	95⅛	94½	17,000
" W&Nwn.div.1st.g.6's.1930	1,105,000	M & N	127½	Feb. 27,'02	....	....	....
Morgan's La & Tex. 1st g 6's....1920	1,494,000	J & J	123½	Feb. 5,'02	....	....	....
" 1st 7's..................1918	5,000,000	A & O	133½	May 28,'02	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's..1912	1,465,000	A & O	....		....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's.1907	3,964,000	J & J	94	Nov. 30,'97	....	....	....
" gtd. g. 5's..................	4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's........1927	19,742,000	J & J	105½	Nov. 7,'01	....	....	....
San Ant.&Aran Pass 1st gtd g 4's.1943	18,900,000	J & J	91	June30,'02	91¼	90½	170,000
South'n Pac. of Ariz. 1st 6's.....1909	6,000,000	J & J	112¾	Apr. 18,'02	....	....	....
" " 1910	4,000,000	J & J	114½	June23,'02	114½	114½	4,000
" of Cal. 1st g 6's ser. A.1905	30,217,500	A & O	105½	June 6,'02	105½	105½	3,000
" " " ser. B.1905		A & O	108	Dec. 23,'01	....	....	....
" " " C. & D.1906		A & O	110⅝	Jan. 14,'02	....	....	....
" " " E. & F.1902		A & O	114½	Nov. 3,'99	....	....	....
" " " 1912	....	A & O	119½	June13,'01	119½	119½	6,000
" 1st con. gtd. g 5's...1937	6,809,000	M & N	107	Nov.27,19'	....	....	....
" stamped........1905-1937	20,420,000	......	109⅝	June13,'02	109⅝	109⅛	53,000
So. Pacific Coast 1st gtd. g. 4's.1937	5,500,000	J & J	....		....	....	....
" of N. Mex. c. 1st 6's.1911	4,180,000	J & J	116¼	Apr. 23,'00	....	....	....
Tex. & New Orleans 1st 7's......1905	915,000	F & A	108	May 20,'02	....	....	....
" Sabine div. 1st g 6's...1912	2,575,000	M & S	114½	Feb. 14,'02	....	....	....
" con. g 5's..............1943	1,620,000	J & J	108½	July 29,'01	....	....	....
Southern Railway 1st con. g 5's.1994	33,706,000	J & J	123¾	June30,'02	124	123⅛	161,000
" registered..................		J & J	122	Jan. 2,'02	....	....	....
Mob. & Ohio collat. trust g. 4's.1938	7,855,000	M & S	99	June30,'02	99	98¾	19,000
" registered.................		M & S	....		....	....	....
" Memph.div.1st g.4-4½-5's.1996	5,083,000	J & J	115	Mar. 18,'02	....	....	....
" registered..................		J & J	....		....	....	....
" St. Louis div. 1st g. 4's...1951	11,250,000	J & J	101	June 6,'02	101¼	101	13,000
" " registered.........		J & J	....		....	....	....
Alabama Central, 1st 6's.......1918	1,000,000	J & J	120	Mar. 25,'01	....	....	....
Atlantic & Danville 1st g. 4's..1948	3,925,000	J & J	98½	June13,'02	98½	98½	8,000
Atlantic & Yadkin, 1st gtd g 4s.1949	1,500,000	A & O	....		....	....	....
Col. & Greenville, 1st 5-6's.....1916	2,000,000	J & J	121	June12,'01	....	....	....
East Tenn., Va. & Ga. div.g.5's.1930	3,106,000	J & J	119⅛	June18,'02	119⅛	119⅛	2,000
" con. 1st g 5's..........1956	12,770,000	M & N	121	June30,'02	122	121	9,000
" reorg. lien g 4's.......1938	4,500,000	M & S	117½	June 3,'02	117½	117½	2,000
" registered.................		M & S	....		....	....	....
Ga. Pacific Ry. 1st g 5-6's......1922	5,660,000	J & J	128	June17,'02	128	128	2,000
Knoxville & Ohio, 1st g 6's.....1925	2,000,000	J & J	126¼	June17,'02	126¼	126¼	1,000
Rich. & Danville, con. g 6's....1915	5,597,000	J & J	122	May 8,'02	....	....	....
" equip. sink. f'd g 5's, 1909	818,000	M & S	101¼	July 20,19'	....	....	....
" deb. 5's stamped......1927	3,368,000	A & O	111¼	May 1,'02	....	....	....
Rich. & Mecklenburg 1st g. 4's.1948	315,000	M & N	90	May 7,'02	....	....	....
South Caro'a & Ga. 1st g. 5's....1919	5,250,000	M & S	111	June25,'02	112	110	25,000
Vir. Midland serial ser. A 6's..1906	600,000	M & S	....		....	....	....
" small......................		M & S	....		....	....	....
" ser. B 6's...............1911	1,900,000	M & S	....		....	....	....
" small......................		M & S	....		....	....	....
" ser. C 6's...............1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
" small......................		M & S	....		....	....	....
" ser. D 4-5's.............1921	950,000	M & S	102	Oct. 13,'99	....	....	....
" small......................		M & S	....		....	....	....
" ser. E 5's...............1926	1,775,000	M & S	114	Sept.10,'01	....	....	....
" small......................		M & S	....		....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	JUNE SALES. High.	JUNE SALES. Low.	JUNE SALES. Total.
" ser. F 5's	1931	1,310,000	M & S	....		....	....	....
Virginia Midland gen. 5's	1936	2,392,000	M & N	115⅛	June 9,'02	115⅛	115⅛	4,000
" gen.5's. gtd. stamped	1926	2,466,000	M & N	116⅛	Dec. 30,'01	....	....	....
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	98	Apr. 22,'02	....	....	....
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	120⅛	June20,'02	120⅛	120⅛	8,000
Spokane Falls & North. 1st g. 6's	1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl. Ry. N. Y. 1st gtd. g. 4½'s	1943	500,000	J & D	....		....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	114⅛	Mar. 11,'02	....	....	....
" 1st con. g. 5's	1894-1944	4,500,000	F & A	116⅞	June17,'02	116⅞	116⅞	1,000
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	115⅛	May 15,'02	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th	1905	3,055,000	M & S	104	Feb. 15,19'	....	....	....
" 1st gold 5's	2000	21,986,000	J & D	119⅛	June26,'02	119¾	119⅛	57,000
" 2d gold income, 5's	2000	963,000	MAR.	99⅛	June23,'02	99⅛	98⅛	13,000
" La. Div. B. L. 1st g. 5's	1931	2,661,000	J & J	111	June18,'01	....	....	....
Toledo & Ohio Cent. 1st g 5's	1935	3,000,000	J & J	114⅛	June28,'02	114⅛	114	10,000
" 1st M. g 5's West. div	1935	2,500,000	A & O	112⅛	Nov. 13,'01	....	....	....
" gen. g. 5's	1935	2,000,000	J & D	109	May 23,'02	....	....	....
" Kanaw & M. 1st g. g. 4's	1990	2,469,000	A & O	96	June24,'02	96	94⅛	4,000
Toledo Peoria & W. 1st g 4's	1917	4,800,000	J & D	93⅛	June26,'02	93⅛	93	8,000
Tol., St. L. & Wn. prior lien g 3½'s	1925	9,000,000	J & J	92¼	June20,'02	92¼	91⅛	28,000
" registered			J & J	....		....	....	....
" fifty years g. 4's	1925	6,500,000	A & O	82⅞	June26,'02	83⅛	82⅛	42,000
" registered			A & O	....		....	....	....
Toronto, Hamilton & Buff 1st g 4s	1946	3,280,000	J & D	97	June17,'02	97	97	3,000
Ulster & Delaware 1st c. g 5's	1925	1,852,000	J & D	111⅛	June19,'02	111⅛	110⅛	15,000
Union Pacific R. R. & ld gt g 4s	1947	100,000,000	J & J	106⅛	June30,'02	106⅛	105¾	290,500
" registered			J & J	106⅛	June21,'02	106⅛	106⅛	1,000
" 1st lien con. g. 4's	1911	91,952,000	M & N	107⅝	June30,'02	108⅛	107	9,724,000
" registered			M & N	106	Apr. 14,'02	....	....	....
Oreg. R. R. & Nav. Co. con. g 4's	1946	21,482,000	J & D	103	June30,'02	103⅝	102¼	151,000
Oreg. Short Line Ry. 1st g. 6's	1922	13,651,000	F & A	127	June30,'02	128⅛	126⅛	28,000
" 1st con. g. 5's. 1946		12,328,000	J & J	118¾	June27,'02	119¼	118¾	22,500
Utah & Northern 1st 7's	1908	4,993,000	J & J	117⅛	June20,'01	....	....	....
" g. 5's	1926	1,877,000	J & J	114⅛	Apr. 19,'02	....	....	....
Wabash R. R. Co., 1st gold 5's	1939	31,664,000	M & N	119⅛	June25,'02	120	119⅛	88,000
" 2d mortgage gold 5's	1939	14,000,000	F & A	112⅛	June30,'02	112⅛	111⅛	60,000
" deben. mtg series A	1939	3,500,000	J & J	103	June18,'02	103	103	2,000
" series B	1939	25,740,000	J & J	76¾	June30,'02	78⅛	74	7,909,000
" first lien eqpt. fd. g. 5's	1921	3,000,000	M & S	105¾	Apr. 29,'02	....	....	....
" 1st g. 5's Det. & Chi. ex	1940	3,411,000	J & J	111¼	May 23,'02	....	....	....
" Des Moines div. 1st g. 4s	1939	1,600,000	J & J	97	May 12,'02	....	....	....
" Omaha div. 1st g. 3½s	1941	3,500,000	A & O	88⅛	June27,'02	89	88⅛	31,000
" Tol. & Chic. div. 1st g. 4's	1941	3,000,000	M & S	98	Mar. 17,'02	....	....	....
St. L., K. C. & N. St. Chas. B. 1st 6's	1908	1,000,000	A & O	110	May 26,'02	....	....	....
Western N. Y. & Penn. 1st g. 5's	1937	10,000,000	J & J	121⅛	June13,'02	121⅛	121	10,000
" gen g. 3-4's	1943	9,789,000	A & O	99⅛	June27,'02	100	98⅝	42,000
" inc. 5's	1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va. Cent'l & Pitts. 1st g. 6's	1911	3,250,000	J & J	114½	Jan. 20,'02	....	....	....
Wheeling & Lake Erie 1st g. 5's	1926	2,000,000	A & O	113	Apr. 28,'02	....	....	....
" Wheeling div. 1st g. 5's	1928	894,000	J & J	112½	Jan. 21,'02	....	....	....
" exten. and imp. g. 5's	1930	343,000	F & A	113	Dec. 24,19'	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's	1949	11,130,000	M & S	95	June30,'02	97½	94⅞	451,000
Wisconsin Cen. R'y 1st gen. g. 4s	1949	24,635,000	J & J	93¾	June30,'02	94	93½	229,000
STREET RAILWAY BONDS.								
Brooklyn Rapid Transit g. 5's	1945	6,625,000	A & O	107⅞	May 28,'02	....	....	....
" Atl. av. Bkn. imp. g. 5's	1934	1,500,000	J & J	110	Jan. 20,'99	....	....	....
" City R. R. 1st c. 5's 1916	1941	4,373,000	J & J	114	May 28,'02	....	....	....
" Qu. Co. & Sur. con. gtd. g. 5's	1941	2,255,000	M & N	102	June17,'02	102	102	1,000
" Union Elev. 1st. g. 4-5s	1950	16,000,000	F & A	103½	June30,'02	104	102⅛	115,000
" stamped guaranteed			......	101½	Apr. 3,'02	....	....	....
Kings Co. Elev. R. R. 1st g. 4's	1949	7,000,000	F & A	89	June27,'02	91	89	70,000
" stamped guaranteed			......	....		....	....	....
Nassau Electric R. R. gtd. g. 4's	1951	10,474,000	J & J	....		....	....	....
City & Sub. R'y. Balt. 1st g. 5's	1922	2,430,000	J & D	105⅝	Apr. 17,'95	....	....	....
Conn. Ry. & Light g 1st & rf g. g 4½'s	1951	8,355,000	J & J	98	Apr. 10,'02	....	....	....
Denver Con. T'way Co. 1st g. 5's	1933	730,000	A & O	97½	June13,19'	....	....	....
Denver T'way Co. con. g. 6's	1910	1,219,000	J & J	....		....	....	....
Metropol'n Ry Co. 1st g. g. 6's	1911	913,000	J & J	....		....	....	....
Detroit Cit'ens St. Ry. 1st con. g. 5's	1905	5,485,000	J & J	103	Nov. 23,'01	....	....	....
Grand Rapids Ry 1st g. 5's	1916	2,500,000	J & D	....		....	....	....
Louisville Railw'y Co. 1st c. g. 5's	1930	4,600,000	J & J	109	Mar. 19,'98	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE.		JUNE SALES.		
			Price.	*Date.*	*High.*	*Low.*	*Total.*
Market St. Cable Railway 1st 6's, 1913	3,000,000	J & J	....		....	....	....
Metro. St. Ry N.Y.g. col. tr.g.5's.1997	12,500,000	F & A	120	June28,'02	121	120	47,000
B'way & 7th ave. 1st con. g. 5's, 1943	7,650,000	J & D	118	June25,'02	118	117½	10,000
" registered		J & D	119½	Dec. 3,19'	....	....	....
Columb. & 9th ave. 1st gtd g 5's, 1993	3,000,000	M & S	122¼	June 3,'02	122½	122½	1,000
" registered..................		M & S	....		....	....	....
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	122½	June 5,'02	122½	122½	6,000
" registered..................		M & S	....		....	....	....
Third Ave. R.R. 1st c.gtd.g.4's..2000	35,000,000	J & J	101⅛	June30,'02	101⅝	101¼	480,000
" registered..................		J & J	....		....	....	....
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	127	June30,'02	127	123⅝	24,000
Met. West Side Elev. Chic. 1st g.4's.1938	10,000,000	F & A	102¾	June28,'02	103¾	102¼	33,000
" registered..................		F & A	....		....	....	....
Mil. Elec. R. & Light con. 30 yr.g.5's.1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's.......................1919	4,050,000	J & J	110	June26,'01	110	110	5,000
St. Paul City Ry. Cable con.g.5's.1937	2,480,000	J&J15	114½	Nov.14,'01	....	....	....
" gtd. gold 5's 1937	1,138,000	J & J	112	Nov.28,'99	....	....	....
Union Elevated (Chic.) 1st g.5's.1945	4,387,000	A & O	109½	Dec. 14,'99	....	....	....
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N	....		....	....	....
" 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....

MISCELLANEOUS BONDS.

NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	*Price.*	*Date.*	*High.*	*Low.*	*Total.*
Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	105¾	June26,'02	106½	105½	57,000
Am. Steamship Co. of W.Va.g.5's 1920	5,452,000	M & N	100¾	June 4,'02	100¾	100¾	10,000
B'klyn Ferry Co. of N.Y. 1st c.g.5's.1948	6,500,000	F & A	81	June30,'02	82	80½	59,000
Chic. Junc. & St'k Y'ds col. g. 5's.1915	10,000,000	J & J	111	Mar. 7,'01	....	....	....
De.Mac.&.Mar.ld.gt.3½'s sem.an.1911	2,771,000	A & O	59	June30,'02	60	53	477,000
Hackensack Wtr Reorg. 1st g.5's.1926	1,090,000	J & J	107½	June 3,'92	....	....	....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g. 5's....1919	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's.1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuilding & Dry Dock 5's............1890-1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's...1951	11,580,000	F & A	96½	June30,'02	97½	96½	35,000
" registered..................		F & A	....		....	....	....
St. Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & J	....		....	....	....
St. Louis Terml. Cupples Station & Property Co. 1st g 4½'s 5-20..1917	3,000,000	J & D	....		....	....	....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	101	Feb. 19,'97	....	....	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	113½	Dec. 18,19'	....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series D 4½'s..............1901-1916	1,000,000	J & J	....		....	....	....
" E 4's..............1907-1917	1,000,000	J & D	....		....	....	....
" F 4's..............1908-1918	1,000,000	M & S	....		....	....	....
" G 4's..............1903-1918	1,000,000	F & A	100	Mar. 15,19'	....	....	....
" H 4's..............1903-1918	1,000,000	M & N	....		....	....	....
" I 4's..............1904-1919	1,000,000	F & A	....		....	....	....
" J 4's..............1904-1919	1,000,000	M & N	....		....	....	....
" K 4's..............1905-1920	1,000,000	J & J	....		....	....	....
Small bonds....................	....	......	....		....	....	....
BONDS OF MANUFACTURING AND INDUSTRIAL CORPORATIONS.							
Am. Bicycle Co. sink. fund deb.5's.1919	9,234,000	M & S	66½	June30,'02	67¾	65	46,000
Am. Cotton Oil deb. ext. 4½'s....1915	2,919,000	......	100⅝	June26,'02	100⅝	100	33,000
Am. Hide & Lea. Co. 1st s. f. 6's...1919	8,375,000	M & S	97¾	June27,'02	97¾	97¼	70,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,873,000	M & S	91	June30,'02	91½	88	84,000
Am. Thread Co., 1st coll. trust 4's.1919	6,000,000	J & J	82	June25,'02	83	82	15,000
Barney & Smith Car Co. 1st g. 6's.1942	1,000,000	J & J	105	Jan. 10,19'	....	....	....
Consol. Tobacco Co. 50 year g. 4's.1951	156,466,800	F & A	66⅞	June30,'02	68	66½	4,248,000
" registered..................		F & A	65½	Mar. 31,'02	....	....	....
Dis. Co. of Am. coll. trust g 5's..1911	3,590,000	J & J	96	June26,'02	96	92½	43,000
Gramercy Sugar Co., 1st g. 6's....1923	1,400,000	A & O	99⅞	Apr. 30,'01	....	....	....
Illinois Steel Co. debenture 5's...1910	6,200,000	J & J	99	Jan. 17,'99	....	....	....
" non. conv. deb. 5's......1910	7,000,000	A & O	100	May 2,'02	....	....	....
Internat'l Paper Co. 1st con.g 6's.1918	9,303,000	F & A	108½	June30,'02	108½	108	65,000

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MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	*Date.*	JUNE SALES. *High.*	*Low.*	*Total.*
Knick'r'ker IceCo.(Chic)1st g 5's.1928	2,000,000	A & O	93	Aug.25,19'	....	....	....
Nat. Starch Mfg. Co., 1st g 6's...1920	3,002,000	J & J	106¾	June25,'02	106¾	106⅛	17,000
Nat. Starch. Co's fd. deb. g. 5's..1925	4,137,000	J & J	94	Apr. 28,'02	....	....	....
Standard Rope & Twine 1st g. 6's.1946	2,785,000	F & A	67	June30,'02	72	65	121,000
" " inc. g. 5's.1946	7,500,000	......	15	June30,'02	16¼	12⅝	447,000
U. S. Env. Co. 1st sk. fd. g. 6's...1918	2,000,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb..1915	5,280,000	M & N	112¾	June30,'02	113	112¾	11,000
U. S. Reduction & Refin. Co. 6's..1931	....	......	87¾	June28,'02	87⅞	86	99,000
BONDS OF COAL AND IRON COMPANIES.							
Colo. C'l & I'n Devel.Co. gtd g.5's.1909	700,000	J & J	55	Nov. 2,19'	....	....	....
" Coupons off................	....		....	....	....	....	....
Colo. Fuel Co. gen. g. 6's..........1919	680,000	M & N	115	Apr. 11,'02	....	....	....
Col. Fuel & Iron Co. gen. sf g 5's..1943	5,311,000	F & A	105⅛	June30,'02	105⅞	105	201,000
" conv. deb. g. 5's.........1911	9,069,000	F & A	101¾	June30,'02	105⅜	101	3,060,000
" registered...................		F & A	....	....	....	....	....
Grand Riv. Coal & Coke 1st g. 6's.1919	949,000	A & O	115	June23,'02	115	115	2,000
Jefferson & Clearfield Coal & Ir.							
" 1st g. 5's................1926	1,777,000	J & D	105⅛	Oct. 10,'98	....	....	....
" 2d g. 5 s.................1926	1,000,000	J & D	80	May 4,'97	....	....	....
Kan. & Hoc. Coal&Coke 1st g.5's 1951	2,750,000	J & J	105	Oct. 24,19'	....	....	....
Pleasant Valley Coal 1st g. s.f.5s.1928	1,213,000	J A J	106¼	Feb. 27,'02	....	....	....
Roch &Pitts.Cl&Ir.Co.pur my5's.1946	1,092,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's..1912	379,000	J & D	....	....	....	....	....
Ten. Coal, I. & R. T. d. 1st g 6's...1917	1,244,000	A & O	110	June12,'02	110	110	2,000
" Bir. div. 1st con. 6's...1917	3,399,000	J & J	113	June23,'02	113	113	4,000
Cah. Coal M. Co. 1st gtd. g 6's..1922	1,000,000	J & J	105	Feb. 10,19'	....	....	....
De Bard. C & I Co. gtd. g 6's...1910	2,771,000	F & A	102¼	May 23,'02	....	....	....
Wheel L. E. & P. Cl Co. 1st g 5's.1919	846,000	J & J	32	Jan. 15,19'	....	....	....
GAS & ELECTRIC LIGHT CO. BONDS.							
Atlanta Gas Light Co. 1st g. 5's..1947	1,150,000	J & D	....	....	....	....	....
Bost. Un.Gas tst ctfs s'k f'dg.5's..1939	7,000,000	J & J	80¾	Feb. 20,'01	....	....	....
B'klyn Union GasCo.1stcong. 5's.1945	14,493,000	M & N	117⅞	June30,'02	118	117⅛	42,000
Columbus Gas Co., 1st g. 5's......1932	1,215,000	J & J	104⅛	Jan. 28,'98	....	....	....
Detroit City Gas Co. g. 5's.......1923	5,603,000	J & J	99½	June27,'02	99½	98	32,000
Detroit Gas Co. 1st con.g.5's.....1918	381,000	F & A	104	May 24,'02	....	....	....
Equitable Gas Light Co. of N. Y. 1st con. g. 5's............1932	3,500,000	M & S	118	June30,'02	118	118	3,000
Gas. & Elec.of Bergen Co. c.g.5s.1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Grand Rapids G. L. Co. 1stg.5's.1915	1,225,000	F & A	107¾	Dec. 17,19'	....	....	....
Kansas City Mo. Gas Co. 1st g 5's.1922	3,750,000	A & O	....	....	....	....	....
Kings Co. Elec. L.&Power g. 5's..1937	2,500,000	A & O	....	....	....	....	....
" purchase money 6's....1997	5,000,000	J & J	124	June25,'02	124	123	2,000
Edison El.Ill.Bkln 1st con.g.4's.1939	4,275,000	J & J	99	June25,'02	99	98½	3,000
Lac. Gas L't Co. of St. L. 1st g.5's.1919	10,000,000	Q F	108¼	June26,'02	109½	108¾	29,000
" small bonds.................			97½	Nov. 1,'95	....	....	....
Milwaukee Gas Light Co. 1st 4's..1927	6,000,000	M & N	95½	June28,'02	95¾	95½	22,000
Newark Cons. Gas, con. g. 5's....1948	5,274,000	J & D	....	....	....	....	....
N.Y.GasEL.H&PCo1stcol tr g 5's.1948	11,500,000	J & D	114	June 2,'02	114	114	1,000
" registered....................		J & D					
" purchase mny col tr g 4's.1949	20,389,000	F & A	97⅜	June28,'02	97⅞	97⅜	250,000
Edison El. Illu. 1st conv. g. 5's.1910	4,312,000	M & S	108	June25,'02	108	107	22,000
" 1st con. g. 5's............1995	2,156,000	J & J	121¾	June11,'01	121¾	121¾	3,000
N.Y.&Qus.Elec.Lg.&P.1st.c.g.5's1930	1,930,000	F & A	107½	June30,'02	107½	107	3,000
Paterson&Pas. G.&E. con.g.5's..1949	3,317,000	M & S	....	....	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's.1904	2,100,000	M & N	104	June 7,'02	104	104	4,000
" 2d gtd. g. 6's............1904	2,500,000	J & D	103½	June23,'02	103½	103½	1,000
" 1st con. g 6's............1943	4,900,000	A & O	121	May 12,'02	....	....	....
" refunding g. 5's..........1947	2,500,000	M & S	106	Dec. 16,'98	....	....	....
" refuding registered....		M & S	....	....	....	....	....
Chic.Gas Lt&Coke 1st gtd g.5's.1937	10,000,000	J & J	111¼	June25,'02	111¼	110⅛	12,000
Con. Gas Co.Chic. 1st gtd.g.5's.1936	4,346,000	J & D	108½	June27,'02	108½	107¼	8,000
Eq.Gas&Fuel,Chic.1stgtd.g.6's.1905	2,000,000	J & J	105	Apr. 28,'02	....	....	....
MutualFuelGasCo.1stgtd.g.5's.1947	5,000,000	M & N	105½	May 26,'02	....	....	....
" registered..	....	......	....	....	....	....	....
Trenton Gas & Electric 1st g. 5's.1949	1,500,000	M & S	109	Feb. 8,'01	....	....	....
Utica Elec. L. & P. 1st s. f'd g.5's.1950	500,000	J & J	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

Note.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

Name. Principal Due.	Amount.	Int't paid.	Last Sale. Price.	Last Sale. Date.	June Sales. High	June Sales. Low.	June Sales. Total.
Telegraph and Telephone Co. Bonds.							
Am. Teleph. & Teleg. coll. trust. 4's. 1929	28,000,000	J & J	100	Mar. 26, '02	....	....	....
Commercial Cable Co. 1st g. 4's. 2397.	10,943,000	Q & J	100½	Apr. 8, '02	....	....	....
" registered		Q & J	100½	Oct. 3, 19'	....	....	....
Total amount of lien, $20,000,000.							
Erie Teleg. & Tel. col. tr. g s fd 5's. 1926	3,905,000	J & J	109	Oct. 7, '99	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's. 1918	2,000,000	M & N	114½	Apr. 28, '02	....	....	....
" registered		M & N					
N. Y. & N. J. Tel. gen. g 5's. 1920	1,261,000	M & N	113¼	Oct. 4, '01	....	....	....
Western Union col. tr. cur. 5's. 1938	8,504,000	J & J	112¼	May 17, '02	....	....	....
" fundg & real estate g. 4½'s. 1950	13,000,000	M & N	106	June 24, '02	107	106	41,000
Mutual Union Tel. s. fd. 6's. 1911	1,957,000	M & N	111	June 17, '02	111	111	1,000
Northwestern Telegraph 7's. 1904	1,250,000	J & J	104	May 9, '02	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

Name Principal Due.	Amount.	Int'st Paid.	Year 1902. High.	Year 1902. Low.	June Sales. High.	June Sales. Low.	June Sales. Total.
United States con. 2's registered... 1930		Q J	109⅞	108¼	....	....	......
" con. 2's coupon... 1930	445,940,750	Q J	109⅝	108½	....	....	......
" con. 2's reg. small bonds.. 1930		Q J	....	....	....	....	......
" con. 2's coupon small bds. 1930		Q J	....	....	....	....	......
" 3's registered... 1908-18		Q F	109⅛	107½	107½	107½	10,000
" 3's coupon... 1908-18	97,516,160	Q F	110	107	107½	107	4,500
" 3's small bonds reg... 1908-18		Q F	107	107	107	107	200
" 3's small bonds coupon. 1908-18		Q F	109½	108¼	....	....	......
" 4's registered... 1907	233,177,050	J A J&O	112½	109½	109½	109½	6,000
" 4's coupon... 1907		J A J&O	113	110½	111	110½	7,000
" 4's registered... 1925	134,994,200	Q F	138½	135¼	136	135¼	20,000
" 4's coupon... 1925		Q F	139¾	139¾	....	....	......
" 5's registered... 1904	19,410,350	Q F	106½	105¼	....	....	......
" 5's coupon... 1904		Q F	106¼	106¼	....	....	......
District of Columbia 3-65's... 1924		F & A	....	....	....	....	......
" small bonds...	14,224,100	F & A	....	....	....	....	......
" registered...		F & A	....	....	....	....	......
State Securities.							
Alabama Class A 4 and 5... 1906	6,859,000	J & J	107	102½	....	....	......
" " small...	....	....	....	....	....	....	......
" Class B 5's... 1906	575,000	J & J	102½	102½	....	....	......
" Class C 4's... 1906	962,000	J & J	....	....	....	....	......
" currency funding 4's... 1920	954,000	J & J	111	111	....	....	......
District of Columbia. See U. S. Gov.							
Louisiana new con. 4's... 1914	10,752,800	J & J	106¼	106	....	....	......
" " small bonds...		....	....	....	....	....	......
Missouri fdg. bonds due... 1894-1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's... 1910	3,397,350	J & J	104½	104	....	....	......
" small...		J & J			....	....	......
" 6's... 1919	2,720,000	A & O	....	....	....	....	......
South Carolina 4½'s 20-40... 1933	4,392,500	J & J	....	....	....	....	......
Tennessee new settlement 3's... 1913	6,681,000	J & J	96⅝	95½	96	95½	8,000
" registered...	6,079,000	J & J	....	....	....	....	......
" small bond...	362,200	J & J	95	94	94	94	400
Virginia fund debt 2-3's of... 1991	18,035,236	J & J	99¾	95¼	97¾	96	83,500
" registered...		J & J					
" 6's deferred cts. Issue of 1871	5,186,105	....	7¼	7¼	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871...	7,505,426	....	10½	8	9½	8½	40,000
Foreign Government Securities.							
Frankfort-on-the-Main, Germany, bond loan 3½'s series 1... 1901	15,000,000 (Marks.)	M & S	95½	94¾	....	....	......
Four marks are equal to one dollar.							
Quebec 5's... 1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's...	....	Q J	100	96	100	99½	12,000
Regular delivery in denominations of £100 and £200...	£22,478,560	......	....	....	....	....	......
Small bonds denominations of £20...	....	......	....	....	....	....	......
Large bonds denominations of £500 and £1,000...	....	......	....	....	....	....	......

BANKERS' OBITUARY RECORD.

Bardwell.—Jarvis Bodman Bardwell, one of the founders of the Shelburne Falls (Mass.) Savings Bank, of which he was President for four years, and who was President of the Shelburne Falls State and National Bank for twenty-three years, died May 23, aged 100 years and 133 days.

Bolender.—John Bolender, President and one of the founders of the Citizens' Bank, Monroe, Wis., died June 19. He was born in Union, Pa., in 1837, removing to Green county, Wis., in 1861. He was a member of the State Assembly from 1882 to 1885.

Brintnall.—Solva Brintnall, organizer of the Drovers' National Bank, Chicago, and for seventeen years its President, died June 8, aged eighty-four years. He retired from the Presidency of the bank in January, 1900, being succeeded by his son.

Dodd.—Pierson G. Dodd, Assistant Cashier of the Phenix National Bank, New York city, and formerly president of the Common Council of Newark, N. J., died June 29. He was sixty-five years of age at the time of his death and had been connected with the Phenix National Bank for thirty-eight years.

Fish.—Jefferson Fish, President of the Farmers and Merchants' Banking Co., Cleveland, Ohio, died June 3, aged sixty-nine years.

Gaylor.—Charles Gaylor, President of the Citizens' Savings Bank, Stamford, Ct., died June 26.

Gilroy.—John Jay Gilroy, Secretary of the Guarantee Trust and Safe Deposit Co., Philadelphia, having held that position since 1876, died June 17.

Grandy.—Wm. Grandy, one of the founders of the Dime Savings Bank, of Williamsburgh, Brooklyn, N. Y., in 1863, and who was Secretary of that institution up to 1895, died June 19, in his eighty-fifth year.

Hambleton.—John A. Hambleton, formerly head of the banking firm of Hambleton & Co., Baltimore, Md., died June 1, aged 75 years. Because of failing health Mr. Hambleton retired from the banking business ten years ago, but continued as a director in several financial and railroad companies.

Kurtz.—Joseph E. Kurtz, Vice-President of the First National Bank, Connellsville, Pa., died June 23. He became teller of the bank in 1876, was made Cashier in 1897, and Vice-President and director in 1900.

Morse.—William L. Morse, President of the First National Bank, Marlboro, Mass., died June 12.

Munro.—George Munro, Cashier of the Merchants and Planters' National Bank, Union, S. C., died June 22, aged sixty-nine. He had been connected with the bank for twenty-three years.

Nicholson.—Col. J. H. Nicholson, Cashier of the National State Bank, Boulder, Colo., died June 23, at San Diego, Cal., at the age of forty-eight years.

Pratt.—J. Winsor Pratt, Vice-President of the Randolph (Mass.) Savings Bank, died June 3, aged seventy-five years.

Ranlet.—Charles W. Ranlet, who was connected with the Hadley Falls National Bank, Holyoke, Mass., for forty-seven years, died June 20, aged eighty-three years. He was Cashier of the bank from its organization in 1853 up to 1866, when he became President, resigning the latter office in 1900.

Sturges.—James C. Sturges, one of the organizers of the Chicago Clearing-House, and former Cashier of the Northwestern National Bank, died May 2.

Swift.—Rowland Swift, President of the American National Bank, Hartford, Ct., and the oldest bank officer in that city in point of service, died June 13, aged sixty-eight years. He had been associated with the American National Bank and its predecessor since 1852. In 1854 he was made Cashier and had been President since 1871.

Thomas.—George H. Thomas, Vice-President of the State Bank, West Union, Iowa, and one of the oldest merchants and earliest settlers of the county, died June 21.

Tillotson.—Judge H. L. Tillotson, President of the First National Bank, Nevada, Mo., died June 7. For seventeen years he was postmaster and had been a member of the Missouri Legislature.

THE

BANKERS' MAGAZINE

RHODES' JOURNAL OF BANKING and THE BANKERS' MAGAZINE Consolidated.

FIFTY-SIXTH YEAR. AUGUST, 1902. VOLUME LXV, No. 2.

THE EXPORTS OF PRODUCTS and manufactures of the United States since 1896 have apparently exceeded the imports by an annual sum amounting to nearly five hundred millions of dollars. Naturally, some return to the country for this outpouring of resources is looked for. It is generally supposed, when a country considered as an entity distinct from other countries sends out in its commerce with other countries more goods and products than it receives, that the excess it has contributed to the general wealth of the world over the amount it has received from that general wealth will be paid for either in cash or credit.

It is very curious, in the case of these commercial transactions of the United States during the last six years, that the authorities disagree very widely as to what has become of the cash or credit that the United States as a commercial nation should have received if the account of exports and imports has been correctly and completely kept. As to cash received for the excess of goods exported, this amounts to less than ten per cent. of such excess. The returns for the remaining ninety per cent. have not yet been satisfactorily accounted for.

Many of those who have attempted to account for the difference, either from design or from too optimistic a disposition, seem to have made use of the fact of the large trade balance as a means of keeping up a spirit of confidence in prosperity prospects, which has a tendency to induce unwise and unwarranted speculation. These authorities claim that the reason the enormous trade balances have not been visibly realized, either in imports of gold or commodities, is because the United States has been paying off debts previously contracted. The evidence of such payment, it is claimed, is the return to the United States of securities held in foreign countries. Another disposition of these proceeds of the trade balance is, it is claimed, the investment of

American capital abroad, either in loans to foreign governments or in enterprises in foreign countries.

Of course, if there were facts on which to found these claims, no one can dispute that payment of debts and new foreign investments might easily absorb a trade balance however enormous. But when the sum involved is so large, it would seem that if this were the true solution of the mystery facts would not be hard to discover. That there are foreign debts to pay is probable, but that these have been paid is more difficult to establish.

It may be laid down as an axiom, that the products and manufactures which have gone out of the United States during the past six years would not have been taken by foreign nations unless they had something to give for them. This something must have been either cash or goods, or debt. If cash alone had been available it would have taken nearly all the gold in the banks of the world outside of the United States to have paid the balance.

In opposition to those who claim that the productive energies of the country have thus thrown off a previously contracted load of debt and have accumulated a surplus, there are other financial authorities who refuse to accept so optimistic a view of the situation. Although it is not denied there has been a balance of trade in favor of this country, these less optimistic authorities hold that there is no evidence that American indebtedness abroad has been reduced or that there is any evidence of the new investment of any great amounts of American capital in foreign enterprises. On the contrary, they claim that there are evidences of new investment of foreign capital in the United States.

The uncertainty and the mystery which overhang the disposition and effect of these foreign balances on the prosperity of the United States ought, if possible, to be removed. The business world is entitled to accurate information as to the bearing of all these phenomena. It seems impossible that the country can be growing poorer, when year by year it has been producing and selling half a billion dollars more than it received in exchange. On the other hand, the investment of capital has become so cosmopolitan that it is extremely difficult to separate the financial affairs of one country from those of another. The commercial interdependence of all civilized nations is so great that it has become extremely difficult to distinguish between domestic and foreign capital. Doubtless there is some truth in the statements made on either side. It is probable that indebtedness has been paid as held by some authorities, and also that new indebtedness has been contracted. The larger the stock of products and manufactures handled, the larger the volume of debts and credits in handling the proceeds. The operations of the business world consist in the pay-

ment of old obligations and the incurring of new ones. Enterprise means new debt, and prosperity involves enterprise. Whether debts have been wiped out or not, whether the belief in continued prosperity is well or ill founded, if it be true that foreign capital is borrowed instead of domestic capital lent, this fact proves that the faith of the commercial world in future prosperity is yet strong.

THE PROFITS ON NATIONAL BANK CIRCULATION have practically disappeared, and as a purely business proposition bankers are beginning to consider whether they would not derive more benefit from loaning notes based on their own resources but issued through some central institution.

It seems strange that those who object to a great central bank as a means of providing a bank-note currency, because they regard such an institution with exclusive powers of issuing bank notes as a monopoly, should not see that the branch bank project is open to similar objection and in a much more practical way. The central bank would be a monopoly of a power that is not regarded as very important by the great majority of existing banks. Of these the State and private banks never have exercised this power and do not appear to desire it. Many of them are content to act as banks of discount and deposit only, and express themselves as satisfied to use the present Government issues—including under that category the issues of the National banks based on bonds.

The National banks are also virtually banks of deposit and discount. The circulation privilege they are said to enjoy is merely the privilege of getting small change for a Government bond, and this is not very difficult for any owner of a Government bond to do in another way. Nor can a National bank get change for its bond to an unlimited extent or just when it needs it most. The only advantage the National bank has over the ordinary bondholder is that the bank after getting the small change, or notes, for its bond continues to draw interest on the same. The ordinary holder to get change has to part with his bond. But then the bank has to pay for making the small change it receives, and has other duties to perform in regard to it, which create an expense the ordinary bondholder does not have, and this expense borne by the bank nearly offsets the advantage it receives by retaining the interest.

A National bank note is not therefore a bank note in the same sense as the promissory notes of the old State banks were bank notes, or in the same sense that the notes of Canadian banks are bank notes, or that the notes of the Bank of France or the Bank of Germany are bank notes.

Everybody sees at once that legal-tender notes, silver certificates, etc., are Government money, but they think National bank notes are bank money because the Government chooses to split up some of its bonds of large denominations into small money by using the machinery of the banks. No one will dispute that the bonds are Government obligations just as greenbacks are, the small change the bank issues instead of them being only the bond in a diffuse or commercial form, but still representing the value of the bond. These bank notes are not only secured by the bond which the Government has taken and holds in exchange for them, but even if there were no bond the Government guarantees their payment. If a National bank could be wiped out of existence as utterly as St. Pierre was by the explosion of Mont Pelee; if every vestige of every stockholder, debtor, customer, depositor, bank officer and messenger and of all their heirs and assigns could entirely disappear, the notes alleged to be those of the bank would still be redeemed by the Government, first from the bond deposited, and if this too had disappeared, from the United States Treasury funds.

Ultimately, National bank notes are Government notes as much as greenbacks or other Government money. There is therefore to-day no bank circulation privilege in a perfect sense enjoyed by any bank or banking system in the United States. All the banks, National as well as State or private, are doing business as banks of discount and deposit, and the money they do business with is all furnished by the Government, with considerable directness.

All this is cited to show that in creating a central bank for the purpose of issuing a bank-note currency, the United States would not be creating a monopoly of any privileges now enjoyed by the banks or of any privilege that they apparently care very much to possess. Of course, there are always some who would cry monopoly and work up great excitement, if the Government should grant to some company the exclusive privilege of throwing straws against the wind or of establishing hot-houses for early vegetables in the craters of Alaska.

But it will be said there is profit to the central bank in issuing this circulation of which it is to have the monopoly. Yes, no doubt there is profit, and at first sight it might appear fairer to distribute it by giving the circulation privilege to all the banks rather than to confine it to one. The difficulty of doing this and making it secure stands in the way, however. What would be safe for one large bank would not be safe in the hands of some nine or ten thousand banks of all possible degrees of strength and weakness. The monopoly and profit of the proposed central bank are therefore derived from a privilege which at present the existing banks do not ask for, and which if they did ask for it would not be safe for the public to grant. On the other

hand, while the central bank is to possess this exclusive privilege, it is to be deprived of powers possessed by all the other banks so that it will not come into competition with them in ordinary business. The difficulty to be overcome in the issue of a real bank circulation in the United States is the weakness of a very large number of the individual banks which if the privilege be granted under a general law must each alike share in its enjoyment. If the banks of the existing system that had a certain specified strength of capital and resources could be selected as grantees of the privilege, this would be a better solution of the problem than a central bank. The cry of monopoly would be raised in regard to this plan also, although with less justice than in the case of the proposed central bank.

In one sense any free banking law that fixes a limit of capital or any other limit of financial strength, before a bank can organize under it, is a monopoly. In this sense the National banking system is a monopoly.

If a provision were added to the National Banking Law permitting National banks now organized or to be organized hereafter with a certain capital, surplus and average deposits, to issue circulation, there would be really no more monopoly in such a provision than in the provisions which make distinctions between banks of reserve and other banks. Any five capitalists with capital enough can create a reserve bank; the only distinction is the amount of capital.

While there would be but slight monopoly in the plan spoken of for providing a circulation, there certainly would be a stronger tendency to the evils of monopoly in the plan to create a number of strong banks which could be safely trusted with the circulation privilege, by branch banking. The gradual consolidation which will be brought about by branch banking will tend to gather the discount and deposit business into the hands of a comparatively few great institutions, and at once sweep out of existence a large number of small banks.

THE FINANCIAL LAWS OF THE COUNTRY were left unchanged by the session of Congress recently ended. The general prosperity has been such that the argument in favor of letting well enough alone has had its weight in favor of inaction. It takes a convulsion in national life to draw out new legislation effecting radical change in monetary laws. The history of important changes in these laws from the time of the adoption of the Constitution indicates this fact.

Although legislation has not kept pace with the demands of theorists, or perhaps with the practical necessities of business, yet there is every reason to be thankful for the vast improvement that has been made during the last six years. The campaign of financial education

inaugurated in 1896 was not in vain even if all the objects aimed at have not been reached, or at least not to the extent of being crystallized in legislation, yet the attitude of mind now exhibited towards the whole money question by the general public shows a wholesome recovery from the hallucinations under which that public seemed to suffer while the silver question was being exploited by demagogues. This education of the people to a point where they recognize the settlement of the monetary standard on a gold basis as fixed and not to be changed, is more valuable than even the complete embodiment of all monetary reforms in legislation. Legislation not supported by the convinced state of the public mind would always be liable to change, while the general dissemination of sound financial views among the people will certainly prevent any Administration from taking advantage of imperfect law to disturb sound monetary rules for managing the nation's monetary affairs.

The politicians who experienced the effects of the silver craze and who understand the difficulty with which it was prevented from overturning sound monetary conditions, are still fearful of touching any legislation that may by possibility revive the dangerous controversy. Their apprehensions are probably unnecessary, but the contest over providing a currency for the Philippines shows how easily the controversy might be aroused again by indirection. As time brings forgetfulness of the animosities of the contest over silver it will become more easy to enact laws to improve the monetary system.

THE ESTIMATES OF FUTURE GOLD PRODUCTION and its effect on prices, by PAUL LEROY-BEAULIEU, the French economist, have attracted considerable attention. It has been held by the advocates of silver that gold as a money metal was really no more stable than silver; that a sudden increase in the production, by the discovery of new masses of gold, might depreciate the price and unfit the metal for monetary purposes in just the same manner as in the case of copper and silver. But these advocates of silver also argued that as a matter of fact gold was not supplied in sufficient quantities to meet the monetary demands.

The eminent French economist thinks that the great increase in gold production of the last four or five years will be continued, and that by 1905 or 1906 the annual gold production of the world will reach $400,000,000. The available stock of gold in the world he estimates at the present time to equal ten billions of dollars. The estimated annual production is just four per cent. of the estimated stock on hand. This increase would double the stock in twenty-five years. He does not believe that this doubling of the stock within the period

named will have any serious effect on prices, for the reason that the business of the world will so increase in that time as to require a larger volume of standard money. He admits, however, that the first effects of a great influx of gold during the next quarter of a century will be to raise prices somewhat in the localities where the new supply first impinges, before it has been fairly distributed in the ordinary channels of commerce. It is on a larger field the same effect witnessed in the vicinity of newly-discovered mines, or where those who bring their supplies gathered at the mines to the centres of civilization. The expenditure of the newly-acquired gold raises the prices of luxuries and certain classes of goods.

M. LEROY-BEAULIEU estimates the gold stock of the world to amount to ten billions of dollars. But the visible supply in the great banks of the world does not to-day reach anywhere near that amount. On January 1, 1902, the Banks of France, England, Germany, Austria, Spain and Russia, the United States Treasury and banks, are reported to have had on hand about $2,500,000,000 in gold. These are the reserves upon which the business of that portion of the world which fixes prices is done.

The increase in gold production, that is the new supply of gold, whatever its sum, is apt to pass at once into the reserves of these institutions. The effect of the supply of gold, therefore, should perhaps be measured not against the great mass of gold in the world, a large part of which seems always to be concealed and unavailable, but against what may be called the active stock kept in the banks as a basis of financial transactions. After the new supply goes to increase the bank reserves, it is undoubtedly true that by degrees portions of these reserves are withdrawn and go to join the mass of the concealed or unavailable gold, which although it may reappear in emergencies, has ordinarily very little effect on business transactions. Even if it be assumed that in 1905 or 1906 the bank reserves have increased to four billions of dollars, the yearly product of $400,000,000, according to the estimate of the French economist, instead of four per cent., would add ten per cent. to the mass, and the stock of available or reserve gold might be doubled in ten years instead of in twenty-five. If this view of the case has any merit, then apprehensions that prices may be raised by increased gold production are not ill-founded. In other words, it is probable that the purchasing value of the great mass of gold in the world, visible and concealed, may decrease.

Whatever the view taken the subject is certainly one of great importance, as it involves the future value of all securities of every kind now based on gold and of the incomes based thereon. It concerns the payments of national debts and the contraction of future loans.

However, the world safely passed through one period of apprehension of this kind, when the discoveries of gold in California and Australia caused M. CERNUSCHI to sound a note of warning. It cannot be said that M. CERNUSCHI was wholly wrong in his warning. It really has taken near half a century for the standard of value to adjust itself to the fluctuations caused by increased supplies both of gold and silver. The supply of gold supplemented by the supply of silver became too great for monetary purposes. One metal or the other had to be abandoned, and M. CERNUSCHI's suggestion was indeed adopted in principle, though silver has been abandoned instead of gold, the reverse of what he recommended. What the abandonment of silver has cost the world it is difficult to estimate. It was, however, only accomplished after a long and trying struggle. Now the standard in general use is gold, and in case the supply of this metal shall increase to such an extent to cheapen it, there can be no resort to the old device of demonetization of a portion of the standard metal. Gold is the only metal left and apparently the only known substance that to-day can be used as a measure of value by the common consent of mankind. There are, it is true, some nations where silver still is used as the standard and others that are doing business on a paper basis. The supplies of the metal necessary to place these countries on a gold basis will no doubt absorb some of the increased supply. But, on the other hand, the tendency to the use of financial machinery by which vast exchanges of products are effected reduces the amounts of money required. The use and demand for gold money could be greatly increased by doing away with the use of paper which now passes from hand to hand as money. The use of gold itself in all hand-to-hand transactions in place of the banished paper would tend to enhance its value in the face of increased supplies. In spite of some inconveniences, the abolishment of paper money would at least prevent the diseases which the handling of this money is said to convey from one man to another. The world, however, will probably find some way to accommodate itself, as it always has done, to new conditions, and when gold becomes so plentiful that the thirst for it said to be inherent in human nature shall disappear, doubtless commerce will still be carried on and exchanges effected.

THE REPORTS OF BANKERS' CONVENTIONS throughout the country bear out the belief that the branch banking feature of the FOWLER Bill, which failed even to pass the House at the recent session of Congress, is not at all popular with the majority of bankers. The efforts to push the bill by every means of influence have been stren-

nous. It is evident that the effort in favor of it is to be continued in the intermission, and that an attempt will be made to pass it at the next session of Congress. It has been announced that it will be brought up for discussion at the next meeting of the American Bankers' Associations. The opinions expressed at the conventions of the State bankers' associations may be somewhat influenced by local conditions, and perhaps by imperfect knowledge, although so general a consensus against the branch banking feature is ominous for the bill.

The opinions of the American Bankers' Associations may carry some weight if they are favorable to the bill, but it must be remembered that the conventions of the association are greatly controlled by the large city bankers, among whom the sentiment against branch banks is not so strong.

The trouble with the recommendations of the conventions of the American Bankers' Association is that in making them the delegates are too apt to follow the recommendations of the executive council, and to accept cut-and-dried resolutions without much regard to the individual opinion of the delegates. In fact, the country bankers express their real sentiments much more freely in the local conventions than they do when they are overawed by the great bankers who conduct the policy of the American Bankers' Association. It is not difficult to secure the support of the executive council when this body is approached by men of reputation in the political and financial world.

But even if the American Bankers' Association at its next convention shall endorse branch banking, this will have very little influence with the country bankers. It is very seldom that as many as five hundred country banks are represented at the annual convention of this body, out of a total of some fifteen thousand banks and bankers in the United States. The real influence of the small banks is brought to bear on members of Congress, each bank working on its own Representative. These banks will look after their own interests.

The attitude taken by the advocates of branch banking has not moreover been very conciliatory. They have intimated that all who oppose this feature of the bill are ignorant or prejudiced. This has been asserted with some heat. The originator or promoter of a plan for banking or anything else is apt to imagine before the plan has been brought to any real test that he knows more than any one else. This is a very natural bias. The great public benefit the promoter sees in his scheme is not always visible to the public itself. The public is made up of individuals, each one of whom has an idea of how the shoe will pinch or fit in his particular case. He is apt to know the reason why as well as the advocate of the plan.

The American Bankers' Association has frequently made recommendations in the past, in regard to taxation, and to currency and

banking legislation in general, but its recommendations, except when they were in accord with other powerful influences, have not as a rule had much weight with Congress.

If the branch banking feature were removed from the FOWLER Bill it would be much more generally acceptable, although the contemplated issue of bonds for the Panama Canal and the general sentiment in Congress in favor of sustaining the present system of bonded security for circulation on account of the support it gives to the national credit, will prevent any change of system, however desirable it may be, for some years to come.

THE REPEAL OF THE WAR TAXES on banks and brokers should result in an increase of banking profits for the next year or two at least. For some years the tendency has been toward a decrease of profits upon a given amount of money employed, and this has been counteracted by the growth of deposits. No bank can expect to pay satisfactory dividends merely by the use of its capital and surplus. It is only by acquiring a large line of deposits that the dividends to stockholders can be made respectable. The country has been rapidly growing in wealth, and this has been shown by the great increase in the sums deposited with the banks.

The first essential of securing the deposits which to-day render banking at all profitable is sound and conservative management, but this is by no means all that is necessary. The public must be made acquainted with the condition and surroundings of the bank. In these days of competition it is necessary that a bank should make itself known to those who are likely to become its customers and patrons.

Formerly banks where inclined to rest on the dignified proposition that they were so important and conspicuous that advertisement of their existence was a work of supererogation. There may still be a few institutions that rank so much above the general mass that they are universally known. But even in cases like this, and as examples the Banks of England and France may be cited, there are possible customers who although they may know of the bank yet do not know how to approach it. Even the great Bank of England, supreme as it is in its sphere, might secure desirable accounts and increase its business by judiciously advertising the methods of approach.

However it may be with so exceptional a case as the Bank of England, in the United States there are no banks that can afford to neglect the opportunities that exist for making themselves and their methods of business known to the public. There are many large banks in

the United States; compared with some of their contemporaries they loom up like giants. Nevertheless, the great banks, like those of smaller size, have rivals worthy of consideration that are striving to take away their pre-eminence.

Success in maintaining superiority depends in a very great degree upon judicious advertising. Nor should this advertising consist simply in making known the facts as to the size and resources of the institution. Many would-be customers, while they may be attracted by this, are also attracted still more strongly by the ease with which they can approach the bank. Mere size and dignity may often inspire an awe which will repel rather than attract. Other things being equal, the bank which displays the quality which, in a great man would be termed affability, to the largest extent, will win the customer. In this respect all banks should be equal, but such is far from being the case. In observing bank advertisements a vast difference of tone is perceived. Some exhibit an indifference and hauteur which, while it may incite some, would seem calculated to discourage the larger number. There is an art in infusing into an advertisement just the due degree of condescension without approaching the attitude of begging for accounts. The desire of appearing terse and business-like sometimes impresses unfavorably, and makes the would-be customer imagine that he may be treated in too snappy a fashion when he has business to do. Even in business it is the truest art that conceals the art.

The advertisement of a bank is necessary, and it should be accomplished in the most effective and attractive manner. Some institutions do not seem to understand how much an advertisement gains by standing in comparison with those of other banks in a first-class publication. Customers seldom determine until they have weighed several rival inducements.

AN EMERGENCY CIRCULATION is favored in the addresses made at several recent bankers' conventions. All these arguments in favor of an emergency circulation are a recognition of the inability of the banks to provide for the demands of sudden financial crises. Our banks are good fair-weather craft. They spread their sails and go along smoothly and swiftly in prosperous times, but they are not provided against sudden squalls. They seem to be without any anchor with which they may hope to ride in good condition through a sudden storm. Experiencing this defect, the banks of the New York Clearing-House have invented for themselves an emergency device in the shape of clearing-house loan certificates by which they have been enabled to encounter with more or less success the storm and stress of

repeated financial crises. In this the New York banks have been copied with advantage by the banks of other financial centres where clearing-houses are established.

This device is probably as good a one, under the circumstances, as could be adopted. It would, however, be of no use at all if it were not sustained by the force of association brought about by mutual danger. Even where it is most successfully employed it inflicts an undue burden upon the fortunate and well-managed banks in favor of those less favorably situated. All the objections made to a safety-fund apply with equal force to the issue of clearing-house loan certificates. A clearing-house is not primarily an association for mutual support. Originally it was simply a convenient way of settling balances, and this could be done without one bank assuming an iota of liability for another. The banks utilizing the clearing-house are competitors in business and at most times and under most circumstances they are so still. If it were not for the effect upon themselves each bank could view with perfect equanimity the downfall of any one or more of its rivals. While ordinarily struggling in competition against each other, the banks in a clearing-house, when the army of their correspondents and depositors suddenly advance upon them, are forced to combine for mutual support. This combination results, not because they love and admire each other, but because they all fear the result of the demand to meet their obligations instantly. No one of them could do this. If any single one should refuse, it would mean failure. The combined refusal makes them companions in the same boat, and their firm attitude stands off the public demand until it becomes reduced to the usual limits.

This mutual though veiled suspension has the same equity as the sixty-days' notice of a Savings bank to its depositors. It is really justice to the public to stop demands due chiefly to panic apprehension, and not necessarily to real needs.

The clearing-house loan certificates are a means of settling among themselves the different degrees of support given or received by each associated bank. These go no further; they are not handed out to the public as money. They are an asset currency used only among the banks themselves.

The value of this device depends upon the strength of the banks using it. If, as has been suggested, this asset currency, useful among the banks themselves, were developed further, and the large denominations, useful for settling balances, were split up into small bills based on the same security, and paid out to the public, the results would be much wider and perhaps more unsatisfactory than were anticipated. If, for instance, the clearing-house instead of loan certificates as now used, should authorize a currency calculated to circulate

as money, and this should be taken by the banks in quantities required and paid out to meet demands of customers, there is no knowing how far these demands might proceed, or to what extent some banks might have to use these resources of the combined banks. A bank in comparatively poor credit might be forced into liquidation, by the demands that would follow if it were understood that these mutual notes were available, nor could it be told which bank or how many would thus find their accounts drawn down or what risk would be imposed on the associated banks. As it is now the associated banks assume just enough risk to protect their own interests in protecting their associates. There is little motive to assume more. It is possible that if the associated banks saw any advantage in reducing clearing-house loan certificates to a circulating medium they could induce Congress to at least lighten the tax of ten per cent. now imposed on analogous issues.

Another objection to an emergency currency of this kind is that clearing-houses might differ as to the nature of the emergency requiring the issue, and in process of time the use of this form of circulation would become so usual and common that when a real emergency did arise the power to issue emergency notes would be already exhausted. This has often been the case with ordinary asset currency. Credit has been so strained by issues in ordinary times that there was nothing left to base new issues on.

In fact, the whole question reduces itself to one of conservation of its forces by a bank so that it has enough in reserve to meet extraordinary demands. Assuming that an asset currency were introduced, some banks would regard it not as a reserve but as a source of continuous profit, and all the notes possible would be issued and kept out. When a crisis occurred these banks would have nothing but ordinary reserves with which to meet the demands of both depositors and noteholders. On the other hand, a bank regarding the power of issuing asset currency as a reserve, of the nature of the limited liability of stockholders, would do business simply on its ordinary funds paid in by stockholders and depositors. When an extraordinary demand arose, which the ordinary reserves proved insufficient to meet, then this bank could use its asset currency to advantage. The proper management for safety and profit would lie between the two extremes. The same diversities of management would, it is believed, arise under the present system of banks no matter what form of emergency currency was devised and agreed to.

If there were any possibility of fixing the exact definition of an emergency so that it could be recognized as such and nothing else, then a suspension of the ten per cent. tax for the time being would enable the banks to provide an emergency currency. But it will be

found impossible to so define an emergency, and this is the real difficulty in providing a circulation to be used only on such occasions.

The panic of 1893 afforded a genuine case of emergency. The banks all alike suffered from the same conditions. They had no hand in creating those conditions. But if emergencies were recognized and legally defined, it might be found that some banks would be manufacturing them just as it suited their business and profits, and it could not easily be prevented. With an asset currency limited to a percentage of capital it is likely that the weakest banks, and perhaps most all the banks, would, induced by the profit in it, keep the full amount in circulation. When trouble arose they could expect no further help from this source. With unlimited power to issue currency, some banks, following the rules of good management, would use the power only to protect their credit and not as a source of profit, but it is to be feared that many weak banks would rely wholly for profit on currency issues.

The whole subject is a difficult one. Well used, an asset currency is a protection to credit and would answer all the purposes of an emergency circulation. On the other hand, the danger of its abuse is very great. A so-called emergency currency is open to the same objections. Used only in honest emergencies it would be a great safeguard; but with the probability that emergencies would be specially created for its use for profit, it would cease to be a safeguard, and become even more dangerous than an ordinary asset currency.

THE GROWTH OF THE TRUST COMPANIES of New York State is attracting a large degree of interest in banking and financial circles generally. On June 30 the combined resources of these institutions reached $1,078,212,000, and their deposits $887,001,689. Both these items are by far the largest ever reported. Only so recently as 1897 the resources were only $396,742,000, and the deposits $303,354,000. This remarkable expansion has been due in the main to the growth of the older institutions, though a part of the increase is, of course, attributable to the organization of new companies. One institution—the New York Security and Trust Company—has increased its deposits over $16,000,000 in the past year, and several other companies also show a striking increase.

The large amount the trust companies have loaned on collaterals—$603,436,000—is an evidence of the very large loan business they are doing, and shows how actively they are competing with the banks.

A considerable part of the increase in the volume of business done by the trust companies has been due to the organization of large corporate combinations, but perhaps the greater part may be ascribed to

the wonderful expansion in all lines of business in the past few years, and to the further fact that the trust companies were peculiarly fitted to meet a large share of the financial requirements of this remarkable era of business development.

It is notable that the National banks, the trust companies and the Savings banks of the State of New York severally far outrank the State banks in the volume of their business. Although the State banks are operating under a sound and wise banking law, and are generally well managed, they do not seem to be able to keep pace with the other classes of institutions. The chief cause for this is probably due to the fact that the State banks are not so well fitted, in all respects, to transact the business that is done by the great National banks and trust companies in New York city.

In this city, however, both the State banks and trust companies have an advantage over National banks in that they are permitted to establish branches.

THE DISADVANTAGES OF THE INDEPENDENT TREASURY SYSTEM have been disguised by the increased use of the National banks as public depositories. The free use of the banks, if it became a custom recognized and acquiesced in by all the political forces of the country, and regarded by all as a dead political issue that can not be again revived, would of course at once reduce the evil of locking up surplus revenues to a minimum. Nevertheless, the present system of requiring bonded security for public moneys has the same defects that are recognized as belonging to the system of requiring bonds to secure bank-note circulation. The security is undoubtedly perfect, but the banks may at any time be incapacitated to receive a possible surplus, because of the difficulty of procuring bonds. It is useless to repeat that the causes which lock up money also affect the bond market, and that they often, instead of affording compensating results, work together in the same direction.

The difficulty might to some extent be cured by allowing deposits to a greater extent than the par or even the market value of the bonds. This limit might be extended as far as the amount of reserve the banks are required to retain on all deposits, or at least to the extent of the surplus reserve held. In the case of a city bank this would allow of a deposit of one-fifth more than the par value of the bonds, and the same proportion of increase were deposits to the amount of the market value allowed. The system of bond security might be retained for many years, with equally good effect on the national credit, were the amount of bonded security reduced. Were it necessary for the Government to issue more bonds at any time,

and the aid of the banks should be required, the amount of bonded security required might be increased.

In fact, a system of reducing the security when bonds were scarce and increasing it when new issues were contemplated would impart elasticity under the present system. There would, of course, be some objections to this plan. The worst that could happen would be the gradual introduction of an asset currency. If an asset currency is ever to take the place of the present National bank currency, it is believed it will be a gradual and not a sudden process. As has been before suggested, the National banks would, if asset currency were substituted for a bond currency, lose more by the loss of the market value of the bonds they hold than they would gain by profits on an unsecured currency. In fact, such a change made suddenly would for a time upset the whole bond market. This is a feature that has not been sufficiently considered by those who for other good and satisfactory reasons have advocated a change in the bank-note system. The quotations of United States bonds have for the last thirty-six years depended very largely upon the demand for them as security for circulation. This has been an immense factor in the success of every national loan and in all refunding operations.

When a nation gets into a habit, it is the same as with an individual. A sudden change is apt to shake the whole constitution. In eradicating habits gradual changes are the most successful, and legislation should proceed on these lines in changing a national habit. The same principle would seem to be of as great an advantage in the retirement of Government notes as in a change from a bonded to an asset currency. The fault with most of the plans for monetary reform has hitherto been that they were too sweeping, and contained destructive elements outweighing their good points.

THE GROWTH OF THE COUNTRY in wealth is forcibly illustrated by the large number of costly bank buildings put up in the last few years. Many of these structures are of great magnificence, and as substantial as iron and steel can make them. They have been embellished by the arts of the decorator and sculptor, and lavish ornamentations and furnishings in marble, bronze and mahogany are now so common as to be no longer exceptional even in towns of moderate size. All this display is an evidence of prosperity, but there are some old-fashioned bankers who declare that in less fortunate times the banks will wish they had not invested so much of their surplus in unrealizable assets. On the other hand, it is asserted that the improvement in bank architecture is only keeping pace with the general increase in wealth.

THE OUTLOOK FOR CONTINUED PROSPERITY.

The business world has seen so many alternations of good and bad times, of prosperity followed by adverse conditions, that even in the midst of a season of the highest prosperity there are always some on the lookout for the signs of a change for the worse. So to-day notes of warning are sounded from time to time not to trust too much to present appearances, not to carry too much sail, though the breezes seem favoring, but to prepare for squalls, even if as yet it is difficult to see from what direction they threaten.

It might be thought, since the alternation of good and bad times is accepted almost as an axiom, that this of itself would have a tendency to prevent or even altogether stop these fluctuations. In other words, taught by experience men should apparently enter on all enterprises with so much caution and foresight that they would not be carried past the point of safety.

The modern era of commercial enterprise, with its vast facilities for credit not confined as they once were to the select few, but available to any one who desires to use them, has not lasted much over a century. When the modern system had its beginnings, and before it was thoroughly understood, it is not surprising that business men were carried beyond the safety point in the use of credit in the pursuit of wealth. But now, after so many object lessons in the way of business expansion followed by depression, of great eras of successful enterprise followed by financial crises and panics, it requires explanation that business men do not refrain from pushing the excitement of success too far; when they have so much evidence before them of the almost certain consequences. That there are warnings enough is certain. Even in the mad times of the South Sea speculations in England and those of John Law in France, before the seamy side had been shown, there were cautious men who told their contemporaries that a collapse must come. When collapse after collapse has followed excessive bursts of enterprise, it is not wonderful that cautious men distrust even the best founded signs and symptoms of prosperity. That speculations as to the length of time the fortunate business conditions of the past few years are to continue, should come from countries which are more or less rivals of the United States, is even less surprising.

It is an ill wind that blows no one any good. The causes that depress the business energies of one nation are of advantage to other nations not affected by them. Thus the war in South Africa, which turned the energies of the British Empire for the last three years into one narrow channel, left free a deserted field for the United States and other countries. Now that Great Britain is relieved of this burden, and finds the field occupied by others, the business community naturally look eagerly for some similar cause to handicap its business rivals. Thus it is quite natural that there should appear in the English financial papers speculations as to how long business conditions are to be favorable to the United States. In England it was expected as soon as peace was declared that there would be an immediate revival of business enterprise. In these matters the expected does not always happen. Notwith-

standing all the efforts of exchanges, of chambers of commerce, and other commercial bodies in the collection of statistics as to production, manufactures, banking and finance, and all these organized attempts to predict the future in all lines of business, the unexpected appears to happen at least as frequently as it does in the case of weather predictions. One moment after the event the reasons of things are perceived with considerable accuracy, but one moment before they are generally a sealed book. In fact, prediction seems to be used at the present day to mislead more than to guide. False prophesies bear as great a proportion to the true ones as they ever did in biblical times. The immediate revival of business after the close of the Boer War did not materialize as expected, although it is now said that the signs that such a revival is in progress are encouraging.

There seems reason to believe, in this era of intimate communication, when nations are brought so close together, that a nation can no longer be considered as a commercial entity the operations of which are bounded by its political boundaries, at least those nations that aspire to be commercial world powers. The security of investments in all civilized countries has so increased that it is affected very little by political conditions. Capital finding times bad in one country migrates to the place where prosperity seems to be. This seems to have been the case with Great Britain during the Boer War. Cut off from investments and enterprises within the political limits of the British Empire, English capital has sought other outlets. According to some the prosperity of the United States has attracted to this country immense sums of English capital. By some the amount is estimated by hundreds of millions. Not only home capital but foreign capital is benefiting by the prosperity prevailing here. And this may be the explanation, when properly looked into, of the mystery of the trade balances which now puzzles so many financial minds. Probably, when hard times shall come in the United States, if they do come, the capital which cannot find employment here will go elsewhere. The conditions favorable to prosperity in this country have been, first, its great resources only in part developed; second, the cessation of the growth of financial heresy and the general acquiescence of the people in a sound money standard; third, some years of great agricultural success; fourth, unfavorable conditions prevailing in foreign nations. On the contrary changes in any of these conditions may bring about a retrograde movement. Thus the relief of Great Britain from the war and the opening up of the great African field of investment may cause the withdrawal of English capital invested here. As long, however, as prosperity continues in the United States and returns from investments are sure and satisfactory, this withdrawal of capital cannot be a very rapid process. One or two years of poor agricultural returns will have also a serious effect in reducing confidence. The effect of the failure of the corn crop in 1901 can already be appreciated. There are at present signs of crop failures the present season, which may or may not prove as inauspicious as they now appear. With the beginning of a retrogade business movement there may be a revival of financial heresy which might hasten the withdrawal of foreign capital. The resources still remaining to be developed in the United States are of course a constant quantity, which, however, suffers as an element of prosperity with changes in other conditions. People rightly look to the money markets as the thermometer and barometer of changes in business conditions. The money markets are, however, only signs of success

and failure in the business activity that underlies them. The failure of the supply of money is not the cause, but the consequence of deeper causes, although after these deeper causes begin to make themselves manifest the one acts and reacts on the other.

The centralization of the control of capital which has been the feature of business conditions in all countries during the last quarter of the nineteenth century, while it may have its evils, has also its advantages, in controlling to a certain extent the causes that may militate against continued prosperity. One source of danger not yet mentioned is the restlessness of labor in this era, resulting in strikes and long periods of idleness when production is diminished. The concentration of capital in few hands tends to a better adjustment of these difficulties, as well as to a greater control of the financial machinery which adapts the money markets to the needs of business.

On the whole, while there are several directions in which circumstances adverse to present prosperous conditions might be expected to show themselves, yet it is not believed that these circumstances are so uncontrollable as to excite any immediate fears. The condition of the country with respect to its own and foreign capital is so strong that much will be required to shake it. It is well, however, to watch for and if possible guard against circumstances which indicate any tendency toward unfavorable conditions.

LIABILITY OF BANK DIRECTORS.—In a case decided by the Indiana Supreme Court not long since, the duties of bank directors were thus sharply defined:

"The supervision of the directors over the business of the bank should have been such as would have enabled them at all times to know its general financial condition, and to check or prevent imprudent or dishonest conduct by the President or Cashier.

They had the means of knowing, and they were bound to know, the amount and value of the paper and securities held by the bank. They were also bound to know the character and habits of the men they had placed and kept in charge of the bank as its President and Cashier. There could be no excuse for their failure to examine the books of the bank, and for their ignorance of the manner in which its business was conducted.

Under the statutes of this State, the directors of a bank are the agents of the corporation, having the general custody, control and management of its property and affairs, and, as such agents, they are liable to account for all of the property of the corporation which has been intrusted to their control and management. For mere errors of judgment they are not responsible, but for losses and waste of money and property, occuring through their gross inattention to the business of the bank, or their willful violation of their duties, they are liable. * * *

It should be plainly understood by gentlemen occupying the position of directors in a bank that they are not mere lay-figures, but that they have actual and responsible duties to perform, and that by gross inattention to those duties, resulting in the waste or loss of the capital of the bank, they render themselves liable to the corporation. A primary duty is that they should understand the financial condition of the bank. They owe this duty to the shareholders, the depositors and other creditors, and to the public.

Ignorance of the important transactions of the corporation, and of the general state of its affairs, unless excusable for some special reason which it is incumbent on them to establish, constitutes no defense to an action for damages for losses occasioned by or traceable to their failure to perform their official duties."

THE PROPER CONTROL OF ORGANIZED LABOR AND ORGANIZED CAPITAL.

The continuance of the prosperity of any country depends in a great measure upon a proper balance of its various products and manufactures. The manufactures of the United States have been developed under a protective tariff until the proportion of the products of manufacture to those of agriculture has greatly increased. For many years these manufactured products found their almost sole market at home, and this home market was over-supplied ; in other words, the proportion of the products of those engaged in manufactures to the products of those engaged in agriculture became greater than it should be. The consequence of the lack of proportion was dislocation of trade and consequently of financial conditions. The home market proving insufficient for the enterprise of our manufacturers, they set about the development of foreign markets. In this they have been very successful. But there is danger that this may also be overdone. In the home market there was almost a monopoly, but in the foreign markets our manufactures come into competition with those of other countries, and it is just as possible that more may be manufactured than can be sold abroad, just as more was manufactured than could be consumed at home.

When too large a proportion of the people are employed in any one branch of industry, to the detriment of some other branch, then on any failure of the market for the product of that branch of industry those employed in it are sure to suffer, at least temporarily.

If men generally possessed boundless versatility so that they could divert their labor with no lack of skill from one kind of industry to any other, the failure of demand in one labor market might easily be made up in another. This versatility exists only in a limited degeee. The necessary skill in any industry is, as a rule, only acquired by the development of certain faculties of the mind and body, at the expense of others. The manual laborer becomes unfitted for success in industries or professions requiring mental training, and mental training generally unfits for labors requiring bodily activity and endurance. In different degrees a training necessary to make a person effěctive in one industry tends to unfit him for any other. It is not easy when one branch of industry is overdone for the laborers employed in it to find other occupations.

In countries where the population increases at a comparatively slow rate, at least no faster than the general growth can keep pace with, it is easier to adjust labor conditions than it is in a new country where the population from unlimited immigration increases with greater rapidity. The United States, open to almost unlimited immigration, notwithstanding peculiarly favorable conditions in other respects, is bound from time to time to experience economic troubles arising from the discontent of labor. The favorable conditions giving freedom to the individual tend rather to aggravate the situation. The local government which so enhances the happiness of the great bulk of citi-

zens is ill adapted to control and enforce law among large numbers of men organized for special branches of industry. The organization of the laborers is superior to that of the local government. In fact, in these labor troubles there seems to be a private war carried on between the organized employers on one side and organized labor on the other, while the local government looks on, generally utterly impotent to preserve order. The constable can stop disorder annoying and troublesome to disinterested citizens when two men get into a row, but when employers of labor, with their organized hired army, engage in a contest with organized labor, the constable has to keep out of it.

Certainly conditions of this kind were not contemplated when ordinary municipal governments were devised.

Not only do organized labor and organized employers often overrate local government, but so also can organized capital in many forms, and often it does do so.

It is plain that if organization for private pursuit of wealth is to be the order of the day, the laws intended for the preservation of order among unorganized individuals are not adequate to enforce order when powerful organizations become disorderly.

The main trouble with all these combinations seems to be, not that they are in themselves an evil, but that they become an evil under certain conditions because laws have not yet been invented to control them. It is through the organization of capital and industry alone that the proper proportion of one industry or employment can be maintained, yet it seems as if the unattached citizen as an individual is in danger of losing many of his rights in the clash of these uncontrolled organizations. It seems as if an individual, acting as a fraction of an organization, should have a different constitutional status than an individual acting for himself independent of any organization. There is bound to be great difficulty in applying the constitutional law of the country to the contests between organized employers and organized employees. As yet the public outside of these organizations seems to suffer without much hope of redress, when these quarrels, unrestrained by government affect the supplies upon which the life and happiness of that public largely depend, either by over or under production.

Bank Paying Raised Checks.—In the case of Critten vs. the Chemical National Bank (171 N. Y. 219), recently decided by the Court of Appeals of New York, some principles governing the relations between banks and their depositors were stated which are of great interest and importance.

Heretofore it had seemed to be the rule in this State that when the customer commits the examination of the bank's accounts and returned vouchers to a fraudulent agent or employee, who had, without the knowledge of the depositor, been engaged in criminally altering and raising checks and appropriating the proceeds, such examination by such fraudulent and criminal agent did not bind his principal, the depositor.

The rule is different in many other States and in the United States courts, and the decision seems in that respect to bring the law of New York in harmony with the weight of authority elsewhere.

The opinion also holds that for the depositor to make no examination either in person or by agent of the accounts, as balanced by the bank, and no comparison of returned checks with the stubs thereof, when such examination and comparison would detect the alterations, is such negligence as will excuse the bank for having paid the raised checks, and will prevent a recovery by the depositor.

This had been doubted, and sometimes denied, but may now be regarded as the established law of this State.

The case was fully reported in the June issue of THE BANKERS' MAGAZINE, page 806.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Court of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

ACCOMMODATION GUARANTY—POWER OF LOAN AND TRUST COMPANY.

Supreme Court of the United States, June 30, 1902.

HENRY L. WARD, TREASURER vs. EDWARD JOSLIN.

A corporation organized under the laws of Kansas "for the purpose of transacting a general investment, loan and trust business, buying and selling commercial paper, obligations and securities," has no implied authority to lend its credit, or to bind itself by accommodation indorsements.*

The stockholders of such a corporation cannot be held liable for an obligation of the corporation so contracted in excess of its powers.

September 12, 1888, S. S. Hite and Mary L. Hite executed and delivered to one J. E. Ethell their promissory notes in writing of that date, whereby for value received they promised to pay to the order of Ethell on September 12, 1892, the principal sum named in each, with interest thereon at the rate of seven per cent. per annum, payable semi-annually, according to the tenor of eight interest coupons bearing interest and attached to each of the notes; and afterwards and before the maturity of the notes, Ethell indorsed, transferred and delivered them to Ward. At that time the Western Investment Loan and Trust Company, a corporation of Kansas, guaranteed in writing the payment of the notes in the following words indorsed on each: "For a valuable consideration the Western Investment Loan and Trust Company hereby guarantees payment of the within obligation, both principal and interest, at maturity." The notes not having been satisfied, Ward brought suit against the Western Investment, Loan and Trust Company on the guaranties in the district court of Smith county, Kansas, and recovered judgment against the company by default; and execution having been issued on the judgment and returned *nulla bona*, Ward brought this action December 15, 1896, against Edward Joslin in the circuit court of the United States for the district of New Hampshire to recover of him as a stockholder in said Western Investment, Loan and Trust Company, an amount equal to the amount of stock owned by him in said corporation.

Among other special matters set up in defense was "that the claim against the Western Investment, Loan and Trust Company, upon which a judgment in favor of the plaintiff against said company was founded, was not a due

*This rule applies to National banks. (National Bank of Commerce vs. Atkinson, 55 Fed. Rep. 465; Seligman vs. Charlottesville National Bank, 3 Hughes, 647; Flannagan vs. California Nat. Bank, 56 Fed. Rep. 959.)

from or a debt of said corporation, for which the defendant as a stockholder in said corporation was liable under the Constitution and laws of Kansas." And that the Western Investment, Loan and Trust Company "never had any authority to indorse the said promissory notes and obligations in the second count in plaintiff's declaration described, or to guarantee the payment of said notes and obligations."

Mr. Chief Justice Fuller delivered the opinion of the court.

The circuit court found as facts that the guaranties on which plaintiff's judgment in the State court was based were not guaranties of the payment of securities negotiated by the company; that the business which the corporation was authorized to do was "to buy and sell personal property, including stocks, bonds, bills, notes, real and chattel mortgages, and choses in action of every kind and description, and to transact the business of a loan and trust company;" that the guaranty of these notes was not within the reasonable and proper scope of the business of the company; and that defendant had no notice that the company was assuming to guarantee the payment of claims not negotiated by itself. The court referred to a resolution of the board of directors authorizing the guaranty of securities negotiated by the company, and found this guaranty not within its scope.

This corporation was organized in 1888 under the general laws of Kansas, authorizing the creation of loan and trust companies, by voluntary association as prescribed, with the powers, among others, "to make by-laws, not inconsistent with existing laws, for the management of its property, the regulation of its affairs, and for the transfer of its stock;" and "to enter into any obligation or contract essential to the transaction of its ordinary affairs." The charter of each corporation was required to set forth "the purpose for which it is formed;" and the statute provided that: "No corporation created under the provisions of this act shall employ its stock, means, assets, or other property, directly or indirectly, for any other purpose whatever, than to accomplish the legitimate objects of its creation. (Kan. Comp. Laws 1885, p. 210, chap. 23, §§ 5, 6, 11, 26.)

The purposes for which the corporation was formed were set forth in its charter, and were as found by the circuit court. The by-laws provided for a loan committee with power "to discount or purchase bonds, bills, notes and other evidences of debt," but did not embrace the power to guarantee. As before stated, the circuit court found that these guaranties were not "within the reasonable and proper scope of the business, as contemplated by the parties."

The purview of the words "loan and trust" does not appear to have been defined by statute or decision in Kansas, but the declaration alleged that this company was organized "for the purpose of transacting a general investment, loan and trust business, buying and selling commercial paper, obligations and securities," and it must be assumed that the general rule is applicable that such companies have no implied power to lend their credit, or to bind themselves by accommodation indorsements. They may guarantee paper owned by them, or paper which they negotiate in due course of business and the proceeds of which they receive, but the naked power to guarantee the paper of one third party to another is not incidental to the powers ordinarily exercised by them. The power as exercised here was certainly not "essential to the transaction of its ordinary affairs," nor within "the legitimate objects of

its creation." And so far as the question might be resolved by the usage in Kansas, the findings were adverse to plaintiff.

In Commercial Bank vs. Cheshire Provident Inst. 59 Kan. 361, a judgment against a bank on a guaranty, where the record did not contain any of the evidence, and there was a general finding for plaintiff, was sustained. The Court said that it must be presumed that the guaranty "was executed for a valuable consideration, by the duly authorized officers of the bank, and in due course of business;" and that while "it is true that, in this case, the paper itself does not indicate that the Commercial Bank ever owned it, nevertheless it may have received the proceeds and the guaranty may have been made strictly in the interest of the bank." But the findings in this case take it out of the range of that decision, and forbid resort to presumption to make out validity.

We are of opinion that, upon the facts found, the guaranties were given without authority.

The second section of article 12 of the Constitution of Kansas provides as follows: "Dues from corporations shall be secured by individual liability of the stockholders to an additional amount equal to the stock owned by each stockholder; and such other means as shall be provided by law; but such individual liabilities shall not apply to railroad corporations, nor corporations for religious or charitable purposes."

In Woodworth vs. Bowles, 61 Kan. 569, it was held that this constitutional provision was not self-executing, but required legislative action to give it effect.

Section 32 of chapter 23 of the Compiled Laws of Kansas of 1885 provided that when an execution had been issued against a corporation, and property could not be found on which to levy it, then "execution may be issued against any of the stockholders, to an extent equal in amount to the amount of stock by him or her owned, together with any amount unpaid thereon; * * * or the plaintiff in the execution may proceed by action to charge the stockholders with the amount of his judgment."

Section 44: "If any corporation, created under this or any general statute of this State, except railway or charitable or religious corporations, be dissolved, leaving debts unpaid, suits may be brought against any person or persons who were stockholders at the time of such dissolution, without joining the corporation in such suit." * * * Section 45: "If any stockholder pay more than his due proportion of any debt of the corporation, he may compel contribution from the other stockholders by action." Section 46: "No stockholder shall be liable to pay debts of the corporation, beyond the amount due on his stock, and an additional amount equal to the stock owned by him." These sections were all carried forward into the Compiled Laws of 1889, with the same chapter and numbers, but that compilation also gives a general number, and the general number of § 32 is 1192. There was no compilation from 1889 to 1897. Sections 32, 44, 45 and 46 reappear in § § 49, 50, 51 and 53 of chapter 66 of the General Statutes of 1897.

The word "dues" thus appears to have been regarded as equivalent to debts or that which is owing. Mr. Justice Story in United States vs. State Bank, 6 Pet. 29, 36, said, in construing the statute there referred to: "The whole difficulty arises from the different senses in which the term 'due' is used. It is sometimes used to express the mere state of indebtment, and then

is an equivalent to owed or owing. And it is sometimes used to express the fact that the debt has become payable."

In Whitman vs. National Bank, 176 U. S. 559, it was said that "the word 'dues' is one of general significance, and includes all contractual obligations." Can an obligation which a corporation had no right to incur be a contractual obligation and the basis of "dues," as that word is used in the State Constitution? We do not think so. It appears to us that it was not intended by that instrument to impose individual liability on stockholders in respect of risks which they had not undertaken.

One of the grounds on which the doctrine of *ultra vires* rests, is that the interest of the stockholders ought not to be subjected to such risks. Rights of stockholders must be considered as well as those of creditors, and they should not be held directly liable unless such liability was within their contract in legal contemplation.

The rule in this court is that a contract made by a corporation beyond the scope of its powers, expressed or implied, cannot be enforced, or rendered enforceable, by the application of the principle of estoppel. The rule in Kansas seems to be that when the contract has been executed and the corporation has received the benefits of it, the corporation is estopped from questioning its validity, and so in respect of evidences of indebtedness purchased before maturity in good faith and without notice. (Atchinson, T. and S. F. R. Co. vs. Fletcher, 35 Kan. 236; Sherman Center Town Co. vs. Morris, 43 Kan. 282; Alexandria, A. and S. F. R. Co. vs. Johnson, 58 Kan. 175.)

But we are not persuaded that if the defense of *ultra vires* had been interposed in the action against this company, and the facts had been found to be as they have been found here, the defense would not have been sustained in the courts of Kansas. If, however, under the State decisions, the corporation would be held estopped from denying the liability, it does not follow that the stockholders must therefore be held liable, if the obligation was in fact incurred without authority. In other words, alleged liabilities incurred without authority, and which do not come within the meaning of the word "dues," as used in the State Constitution, cannot be properly treated as brought within the scope of that word, simply because the corporation may be so situated as to be estopped from denying their validity.

Whether in this case the corporation would have been estopped if it had made the defense of *ultra vires*, it did not make it, and judgment went against it. We have held such judgments conclusive in proceedings under the Kansas Constitution. (Hancock Nat. Bank vs. Farnum, 176 U. S. 640.)

But we did not there hold that it was not open for a stockholder to show that the judgment was not enforceable against him when rendered against the corporation on a contract beyond its power to make. It must be remembered that in the case before us the right of action accrued, and the action was accordingly averred to have been brought, "by virtue of the Constitution and the statutes of the State of Kansas in such case made and provided." We think it was not error to permit the stockholder to go behind the judgment so far as to show, or, at all events, to insist, for the judgment record introduced below disclosed the invalidity of the guaranties, that he was not liable under that Constitution and those laws.

In Schrader vs. Manufacturers' Nat. Bank, 133 U. S. 67, it was ruled that, although the individual liability of the stockholders of a National bank, as

imposed by and expressed in the statute, was for all its contracts, debts and engagements, "that must be restricted in its meaning to such contracts, debts and engagements as have been duly contracted in the ordinary course of its business;" and that a judgment recovered against the bank in a suit commenced some years after it went into liquidation "was not binding on the stockholders in the sense that it could not be re-examined."

In Brownsville Taxing Dist. vs. Loague, 129 U. S. 493, it was held that if a petitioner for a writ of mandamus to compel the levy of a tax to pay a debt evidenced by a judgment recovered on coupons of municipal bonds is obliged to go behind the judgment in order to obtain his remedy, and it appears that the bonds were void, and that the municipality was without power to tax to pay them, the principle of *res judicata* does not apply upon the question of issuing the writ. The petition in that case set up the judgment, and averred that "petitioner's only remedy to enforce the collection of his judgments is that awarded by the act authorizing the issue of the bonds from which the coupons were detached upon which said judgments were obtained." And we held that as the relator was compelled to go behind the judgments as money judgments merely, "to obtain the remedy pertaining to the bonds, the court cannot decline to take cognizance of the fact that the bonds are utterly void, and that no such remedy exists."

As, then, the provision of the Constitution of the State of Kansas, if properly construed, imposes the liability in question only in respect of corporate indebtedness lawfully incurred, that is to say, in respect of dues resulting in regular course of business and in the exercise of powers possessed, plaintiff cannot recover in this action by virtue of the Constitution and laws of the State, on the facts found, and the judgment must be affirmed.

PROMISSORY NOTE—PURCHASE AT A DISCOUNT—NEGOTIABLE INSTRUMENTS LAW.

Supreme Court of Washington, April 28, 1902.

MCNAMARA vs. JOSE.

The purchase of a note at a discount is not of itself, under ordinary circumstances, evidence of bad faith. When the discount is very large, that circumstance may be considered in connection with others in determining the question of the purchaser's good faith; but unless the consideration be merely nominal, or so grossly inadequate as to lead to the conclusion that the purchase is made for the purpose of speculating upon the chances of collection, it is not of itself sufficient to justify a finding of bad faith.

This is the rule both by the law merchant and under the Negotiable Instruments Law.

Under the Negotiable Instruments Law the purchaser of a note at a discount (unless guilty of bad faith) may recover of the parties thereto the full amount thereof.

This action was brought by Daniel McNamara to recover upon a promissory note in the following form:

"$1,000. Seattle, Wash., Dec. 28, 1899. On or before July 1, 1900, after date, without grace, I promise to pay to the order of James Daly, one thousand dollars, for value received, payable only in United States gold coin. Payable at Cape Nome. Jose & Carstens, per Alfred Jose."

The plaintiff alleged in his complaint that he purchased the note from the James Daly named therein as payee, prior to its maturity, for a valuable consideration, without notice or knowledge of "any defenses or equities existing

in favor of defendants and against said Daly." The defendant Jose denied all of the allegations of the complaint, and alleged affirmatively, in substance, that the note was given to Daly as part of the purchase price of a certain lot situated in the town of Nome, Alaska, to which Daly had no title, and to which he falsely and fraudulently represented he had title as an inducement to the appellant to purchase the same, all of which was well known to the respondent at the time he purchased the note from Daly.

FULLERTON, *J.:* From the evidence the jury could well have found that the note was procured by Daly from the appellant through his misrepresentations as to his title to the property deeded as a consideration for the note. It must, therefore, for the purposes of this appeal, be taken as established that the appellant has a defense to the note as against Daly, or against any one taking the note from him with knowledge of its infirmity or defect, "or knowledge of such facts that his action in taking the instrument amounted to bad faith." (Sess. Laws 1899, p. 350, § 56.)

The circumstances under which the respondent received the note appear from his own testimony. He not only testified in his own behalf, but was called by the appellant, and subjected to a most searching examination. In brief, his story is that he purchased the note from Daly some three months after its execution, paying him therefor $470 in cash, and canceling an account he held against him of $30, making $500 in all; that he knew both Jose and Carstens at the time, and knew them to be solvent; that he made no inquiry other than of Daly as to the consideration for the note; that he made no inquiry of either Jose or Carstens concerning it, and had no notice of any infirmity in the instrument, or that the appellant had published a warning against its purchase, and that, if he had, he would not have purchased it; that when Daly first mentioned the note to him it was in the hands of one Thomas McCorey, whom Daly said he had bargained it to for $700, but did not think he had effected a sale, as he did not believe McCorey could raise the money; that he first asked him $700 for the note, but finally consented to take the amount paid; that he noticed the note was payable at Cape Nome, and he did not think it strange that Daly would sell the note for $500, "as he was the kind of a fellow that wanted that much money at that time."

While it was shown that the respondent had a place of business, the character of that business—whether or not he made it his business, or a part of his business, to discount commercial paper—does not appear. There is nothing in the record, however, that questions his repute, and his statements as to the circumstances under which he obtained the note are not called in question. The Negotiable Instruments Act (Sess. Laws 1899, p. 350) of this State defines a holder in due course of a negotiable instrument to be one who has taken the instrument under the following conditions: (1) That it is complete and regular upon its face; (2) that he became the holder of it before it was overdue, and without notice that it had been previously dishonored, if such was the fact; (3) that he took it in good faith, and for value; (4) that at the time it was negotiated to him he had no notice of any infirmity in the instrument or defect in the title of the person negotiating it.

The act further provides that, to constitute notice of an infirmity in the instrument or defect in the title of the person negotiating the same, the person to whom it is negotiated must have had actual knowledge of the infirmity or defect, or knowledge of such facts that his action in taking the instru-

ment amounted to bad faith; and that a holder in due course holds the instrument free from any defect of title of prior parties, and free from defenses available to prior parties among themselves, and may enforce payment of the instrument for the full amount thereof against all parties liable thereon.

But, notwithstanding this act positively provides that, to constitute notice of an infirmity in a negotiable instrument, the purchaser must have knowledge of such facts that his action in taking the instrument amounted to bad faith, we cannot think that the Legislature meant to say that a purchaser of a negotiable instrument can shut his eyes to the surrounding circumstances, remain in willful ignorance of facts which would have made known to him the infirmities of the instrument he purchases, and then claim, because he had no actual knowledge of such infirmities, that his title thereto is unimpeachable; but that it is still the rule that willful ignorance and guilty knowledge alike involve the result of bad faith. This, however, does not mean that the holder's title is to be overthrown by slight circumstances. He does not owe to the party who puts the paper afloat the duty of active inquiry in order to avert the imputation of bad faith. His rights are to be determined by the simple test of honesty and good faith, not by a speculative inquiry into diligence or negligence. Although he may have been negligent in taking the paper, and omitted precautions which a prudent man would have taken, nevertheless, unless he acted *mala fide*, his title will prevail. (Crawford, Neg. Inst. Law [2d Ed.] p. 54.) "Suspicion of defect of title, or the knowledge of circumstances which would excite suspicion in the mind of a prudent man, or gross negligence on the part of the taker at the time of the transfer, will not defeat his title. That result can be produced only by bad faith on his part." (Murray vs. Lardner, 2 Wall. 110.)

Tested by these rules, is there anything in the evidence before us which required the submission of the cause to the jury? We think not. Laying aside the fact that it was purchased at such a large discount, there is nothing that even tends to show bad faith on the part of the appellant, and this one fact loses much of its persuasiveness when it is remembered that the note is payable at Cape Nome, which the court judicially knows is on the coast of Alaska, inaccessible for a greater portion of the year, and not at any time in the line of regular communication. It certainly would not be sought by investors in commercial paper so long as there was a possibility of their being compelled to enforce its payment at that place. Again, the purchase of a note at a discount is not of itself, under ordinary circumstances, evidence of bad faith. When it is very large, that circumstance may be considered in connection with other circumstances in determining the question of the purchaser's good faith; but, unless the consideration be merely nominal, or so grossly inadequate as to lead to the conclusion that the purchase is made for the purpose of speculating upon the chances of collection, it is not of itself sufficient to justify a finding of bad faith.

The appellant makes some question on the order in which the court admitted the proofs. He also contends that the recovery should be limited to the amount the respondent paid for the note. The first, if error at all, could not operate to the prejudice of the appellant, and the second, whatever may have been the former rule, is now settled against his contention by our Negotiable Instruments Act (Sess. Laws 1899, p. 350, § 57).

The judgment is affirmed.

CERTIFICATE AS TO AMOUNT AND PURPOSE OF DEPOSIT—LIABILITY OF BANK FOR FALSE STATEMENT THEREIN—AUTHORITY OF CASHIER.

United States Circuit Court of Appeals, February 4, 1902.

HINDMAN vs. FIRST NATIONAL BANK OF LOUISVILLE, *et al.*

The Cashier of a bank, receiving a deposit on behalf of his bank, has authority to make a certificate setting forth the amount, nature and objects of the deposit, and such certificate will be binding upon the bank in favor of persons having the right to inquire with respect thereto.

A person having the right to rely upon the statements in such certificate, may maintain an action against the bank for misrepresentions contained therein.

In error to the Circuit Court of the United States for the District of Kentucky.

This was an action by Thomas C. Hindman to recover damages for the fraudulent and false representations of the defendants, whereby he was induced to buy shares of the capital stock of the Columbian Fire Insurance Company of America, which shares have proven worthless.

The insurance company was a Kentucky corporation, and under the law of that State it could not begin business until all of its capital had been actually paid in in cash, nor until the State Insurance Commissioner should be satisfied that this was a fact, and should issue his license accordingly. On December 31, 1892, he authorized the company to begin business, and issued a certificate or license, which, among other things, certified that the company "had a paid-up capital of $200,000, and a net surplus of $48,182.90, which is in cash, and deposited in the First National Bank of Louisville, Kentucky, as shown by the certificate of the Cashier of said bank and the sworn statement of the president and secretary of said company." The Cashier's certificate was in these words: "Thos. R. Sinton, being duly sworn, deposes and says that he is Cashier of the First National Bank of Louisville, Ky., and that said bank, on this December 31, 1892, has on deposit to the credit of the Columbian Fire Insurance Company of America, of Louisville, Ky., $248,182.90, of which amount $200,000 has been paid in as the full amount of the capital stock of said Columbian Fire Insurance Company of America, and $48,182.90 has been paid in as the net surplus of said company." There was evidence tending to show that there was a shortage in paid-up capital shares of not less than $100,000 when these certificates were issued and the company launched in business, and that the existence of this shortage was known to the bank when the certificate was issued.

Before Lurton, Day and Severns, circuit judges.

LURTON, *Circuit Judge:* (omitting part of the opinion): The implied authority of the Cashier to bind the bank by misrepresentations in the statement or certificate, which is the foundation of the plaintiff's action against the bank, was more than doubted by the court below, and to this question we shall first address ourselves. That the giving of such a certificate at the instance of a customer would not be *ultra vires* the corporate power of the bank, even if it should include a statement of the purpose for which the deposit had been paid in, was decided in our opinion upon the former writ of error. That question need not be reconsidered or the argument repeated. (39 C. C. A. 1, 98 Fed. 562.) We did not there consider the authority of the Cashier to bind the bank by false statements in such a certificate, if given by

him without the direction of the directors, because the questions then decided arose upon a demurrer to a petition which averred that the Cashier acted by order of the board of directors. But how can it be said that, without the authority of the board of directors, the Cashier's action in giving such a certificate would not be the act of the bank ? This is not an action to enforce a contract made by the Cashier. Different rules prevail when a suit is upon contract than those applicable in an action for a tort. If the Cashier's act is the act of the bank, the liability of the latter for the tort may be plain, although it might not be liable for a promise by the Cashier made under the same circumstances. (Morse, Banks, § 171; Thomp. Corp. §§ 4779, 6283.)

The Cashier is the proper officer to receive deposits and to give certificates or vouchers in respect thereto. (Morse, Banks, § 161.) If he knew, or assumed to know, the source from which the deposit arose, we see no reason why he might not include such a fact in his certificate, if the customer consented or the business of the bank would be thereby subserved. We quite agree with Judge Barr, who heard this case below on a demurrer, who, on this subject, said:

"As the First National Bank had the right to accept the deposits of the insurance company, it would seem to follow, as an incident to receiving deposits, that the Cashier might state, orally or in writing, to those authorized to inquire, the amount of the deposits and the nature of the deposits, whether on account of capital stock or surplus, or whether a general deposit. That far he was acting under the corporate powers and in the usual course of his business. He had also the corporate power, in the course of his business, to state more than what the books of the bank showed, if he personally knew the fact, or assumed to know the fact, in the performance of his official duties, as to the amount of the deposit or the character of the deposit. In the absence of any evidence, and assuming that the allegations of the bill are true, it may be presumed that thus far the facts stated by the Cashier of the First National Bank in regard to the character of the deposit, whether it was capital stock or capital stock and surplus, was such as the books of the bank showed, or such as the Cashier of the bank and the custodian of the deposits had a right to know and might communicate. So that, if he knew the deposit was made up by discounts credited, with the intention of swelling the deposit, with a view to deceiving the insurance commission into believing that the capital stock was paid up, it would be within the bank's corporate powers. The liability in such a case would be because the false representations were made about a thing which was the bank's business in connection with its corporate powers, and in the usual course of the business of the Cashier of the bank." (86 Fed. 1012, 1016.)

The division into capital stock and surplus was equally within his competency to state to one entitled to inquire, though of no particular significance to the State Insurance Commissioner, whose duty was limited to inquiring and certifying that the company's capital "had been paid in and is possessed by it in money." (Act 1870, Gen. St. 1888, p. 66, § 7.)

The material thing to the commissioner was that this certificate, if true, established the conditions which entitled the company to begin business. The mere fact the company had to its credit an amount of money equal to its authorized capital would be an immaterial fact, unless it should also appear that that deposit constituted capital stock paid in and "possessed by it in

money." This was, therefore, the material thing to which the Cashier certified, and if this fact appeared from the books or deposit slips of the bank, or was otherwise known or supposed to be known to the Cashier, he, as the custodian of the deposit and chief executive of the bank, was acting within the apparent scope of his duty and authority, when he gave this statement. That it was sworn to does not affect its character as an act of the bank. It was the certificate of the bank's Cashier, and so officially signed. It was sworn to by the gentleman who filled that office. The jurat was necessary for the purpose of the State Insurance Commissioner, and added weight to the representation, to whomsoever it may have been addressed. If the act itself was not so far beyond the general scope of the powers of a banking corporation as to carry notice to all of its *ultra vires* character, and the certificate was given, not for the personal purposes of the Cashier, but in the general course of the bank's business, the bank would be liable in an action of tort as fully as if made by direction of the board of directors.

It is no answer to say that the bank did not authorize a false statement. That may be true. But, as observed by Mr. Justice Willes, in Barwick vs. Bank, L. R. 2 Exch. 259, it has "put the agent in his place to do that class of acts, and it must be answerable for the manner in which the agent has conducted himself in doing the business which it was the act of the master to place him in."

In Gaslight Co. vs. Lansden, 172 U. S. 534, 544, the supreme court said:

"The result of the authorities is, as we think, that, in order to hold a corporation liable for the torts of any of its agents, the act in question must be performed in the course and within the scope of the agent's employment in the business of the principal. The corporation can be held responsible for acts which are not strictly within the corporate powers, but which were assumed to be performed for the corporation and by the corporate agents who were competent to employ the corporate powers actually exercised. There need be no written authority under seal, nor vote of the corporation constituting the agency or authorizing the act. But in the absence of evidence of this nature there must be evidence of some facts from which the authority of the agent to act upon or in relation to the subject-matter involved may be fairly and legitimately inferred by the court or jury. (Salt Lake City vs. Hollister, 118 U. S. 256, 260; Railroad Co. vs. Harris, 122 U. S. 597, 609; Railroad Co. vs. Prentice, 147 U. S. 101, 109, and cases cited at page 110, 147 U. S., and page 264.")

The case of Bank vs. Scofield, 39 Vt. 590, and Ellerbe vs. Bank, 109 Mo. 445, 472, are instances of corporate liability for misrepresentations made by an officer of the corporation. Mapes vs. Bank, 80 Pa. 163, is not a case which meets our approval.

In First Nat. Bank vs. Marshall & Illsley Bank, 28 C. C. A. 42, 83 Fed. 725, we held that when a Cashier, as a mere act of courtesy, answered an inquiry as to the financial standing of a customer, the bank would not be liable if the answer should prove false. But the reason of the decision, as stated in the opinion of Judge Clark, was that the Cashier was not at the time acting in respect to some interest or business of the bank; his response being a mere voluntary statement, "having no relation to any business transaction with the bank."

AUTHORITY OF PRESIDENT—RECOVERY OF DEPOSIT—NECESSITY FOR DEMAND—STATUTE OF LIMITATIONS.

Supreme Court of Nebraska, March 19, 1902.

CITIZENS' BANK OF HUMPHREY vs. FROMHOLTZ.

When the President and Cashier of a bank, acting in his official capacity for such bank, collects money for and places it on deposit in such bank to the credit of one of its customers, and pays out of such deposit notes due to the bank from the customer, and checks drawn by him against such deposit, the bank cannot, for the purpose of escaping liability to its customer for the mistakes or malfeasance of its President and Cashier, deny his authority to represent it in this kind of a transaction.

As between a bank and one of its depositors, the statute of limitation does not begin to run in favor of the bank until a demand has been made for the money on deposit.

(Syllabus by the Court.)

This was an action by a depositor against the Citizens' Bank of Humphrey, Neb., to recover back the sum of $578.20, alleged to have been erroneously charged to plaintiff's account by the defendant bank on the 30th day of May, 1893. The suit was not filed until the 24th day of September, 1898. Plaintiff, however, alleged in his petition that he did not discover the mistake in the overcharge of his account until September, 1898. There was a trial of the issues to a jury, and a verdict for plaintiff.

OLDHAM, *C.* (omitting part of the opinion): The defendant seemed, by inference, to have contended that plaintiff's account at the bank was kept by the President and Cashier, E. A. Stockslager, as agent for plaintiff, and that the bank, as such, had no interest in this matter. To sustain this theory, it contends that Stockslager collected plaintiff's money, and sold his farm, and made the deposit for plaintiff, and that the checks which plaintiff drew against his account were mailed from Oklahoma to Stockslager. This may be, and was, true; but Stockslager was the President and managing officer of the defendant bank, and when he collected notes for plaintiff he credited plaintiff with the collection on the books of the bank. When he received a check from plaintiff, it was paid out of the money plaintiff had on deposit in the bank, and charged to him on the books of the bank. In all these transactions Stockslager was acting strictly within the line of the duties devolving upon him as President and Cashier of the defendant bank, and hence the bank cannot now, for the purpose of avoiding the legal consequences of his malfeasance or mistake, be heard to repudiate his authority.

It appears from the evidence that Stockslager left the employ of the defendant bank on the 1st of July, 1894, and that the plaintiff had no further dealings with the bank after that time until this controversy arose. Plaintiff testified that he failed to get a full statement of his account from the defendant bank until he came back to Humphrey, in September, 1898, and that he then procured a statement of his account from the new Cashier of the bank, and that as soon as he got this statement he discovered the mistake, and demanded payment of the balance due him. And on this demand being refused he at once instituted this suit.

The question then arises as to when the statute of limitations began to run in this case. The rule seems to be that, as between a depositor and a bank, the statute of limitation does not begin to run until a demand is made for the money on deposit. This rule seems to be grounded on a sound principle, because the contract between a bank and a customer who opens a check and

deposit account with it is not that the bank will pay the whole amount of the deposit at any particular day, for this would constitute a time deposit, rather than a check and deposit account; but the contract is that it will pay the amount of the deposit whenever it is demanded. Consequently in the case at bar the defendant bank was not in default for nonpayment of the amount due plaintiff until such amount was demanded, and this demand was not made until a few days before this suit was commenced. And if the testimony of the plaintiff at the trial below is to be believed, he was not negligent in making this demand, because he had no means of knowing how much, if anything, was owing him from the bank until he procured a full statement of his account from its managing officers in September, 1898. (Goddell vs. Bank, 63 Vt. 303; Wood; Lim. [3d Ed.] § 17; Thomson vs. Bank, 82 N. Y. 1; Brahn vs. Adkins, 77 Ills. 265.)

NOTE PAYABLE ON DEMAND—WHAT IS A REASONABLE TIME FOR PRESENTMENT.

Supreme Judicial Court of Maine, December 30, 1901.

YATES vs. GOODWIN.

While demand for payment of a demand note must be made within a reasonable time in order to hold indorsers, what is a reasonable time may depend upon many circumstances, among which are the purpose of the note and the intention of the parties respecting it. If it be given for a loan of money, and be on interest, especially if the rate of interest specified be less than the statutory rate, these facts are regarded as having a strong tendency to show that the note was intended to be a continuing security, and that immediate or early demand for payment was not intended. And in such case, failure to make an immediate or early demand is not unreasonable.

This was an action against the defendant as indorser of a note in the following form :

"$1,500 BIDDEFORD, March 16, 1894.

On demand, for value received, the Ensor Remedy Company, of Biddeford, promises to pay to its own order the sum of fifteen hundred dollars, with interest at the rate of four per cent. per annum. The Ensor Remedy Co. By C. E. Goodwin, Treas."

The defense was that there was no demand and notice; and even if there was, that the demand was not reasonable.

SAVAGE, *J.* (omitting part of the opinion):

What is a reasonable time within which payment must be demanded, in order to hold an indorser, is a matter of law. (Goodwin vs. Davenport, 47 Me. 112.) It is likewise a matter of no little difficulty. Said Justice Rice, in Goodwin vs. Davenport, *supra*: "The precise number of days, weeks, or months even, which will constitute a 'reasonable time,' has never been, although a question of law, judicially determined, but is made to depend upon circumstances, as variable and uncertain as are the transactions and characters of men." Periods ranging from a few days to many months have severally been held to be a "reasonable time," while in other cases, by the lapse of similar periods without demand, indorsers have been released. "It depends upon so many circumstances, to determine what is a reasonable time in a particular case, that one decision goes but a little way in establishing a precedent for another." (Shaw, C. J., in Seaver vs. Lincoln, 21 Pick. 267.)

The purpose of the note, and the intention of the parties respecting it,

are important factors. Was the note given in payment of indebtedness in the current course of business? If so, the natural presumption would be that it was expected to be paid without long delay. Or was the note given for a loan, and with interest? If so, it is held that the indorser remains liable without immediate presentment. (3 Rand. Com. Paper, p. 82; 1 Daniel, Neg. Inst. p. 451.) The parties do not expect immediate or early demand. Such a demand, if complied with, would defeat the very object of the loan. It is held also that the provision in a demand note for the payment of interest is material, as raising the presumption that immediate payment was not intended by the parties. (3 Rand. Com. Paper, p. 83.) These views are well supported by authority. (Lockwood vs. Crawford, 18 Conn. 361; Wethey vs. Andrews [N. Y.], 3 Hill, 582; Bank vs. Dickson, L. R. 3 P. C. 574; Cate vs. Patterson, 25 Mich. 191; Gascoyne vs. Smith, 1 McClel. & Y. 338; Merritt vs. Todd, 23 N. Y. 28, 80 Am. Dec. 243; Parker vs. Stroud, 98 N. Y. 379.)

The note in question here was given for a loan, and it bore interest. The interest was at lower rate than would have been recoverable had no mention been made of the rate of interest. This fact is itself significant. For, if it was expected that the note was to be demanded within a short time, would the parties have been likely to stipulate a less rate than the statute rate? Besides, the maker was a corporation borrowing money. The indorsers, some or all of them, were the officers of the corporation. Such was the defendant. It can hardly be supposed that this money was hired with the expectation on the part of any one concerned that payment of the note was to be immediately demanded or made, or, indeed, within any short period.

We think, on the contrary, that the note given for a loan was intended to be a continuing security—an investment of a more or less permanent character. Being on demand, the holder might, if he chose, demand payment at any time, but it was not expected that he would make immediate or early demand. We think that he was not required to do so, to hold the indorsers. In this view of the case, the failure by Mr. Bryant to make demand in his lifetime was not unreasonable. Nor did the defendant, as administrator, knowing, as we think he did, that the note was intended as a continuing security, delay an unreasonable time in waiting until November 13, about two months after his appointment, before making demand. And it is fair to assume that the defendant did not deem the delay unreasonable, when he made the indorsement, "Demand made for payment, Nov. 13, '94." It would be singular indeed if it should be necessary to hold that the defendant, whose duty as administrator it was not to let himself escape liability as endorser, has escaped that liability by neglect of duty as administrator. So long as he stood in the three-fold capacity as treasurer, administrator, and indorser, he should not be said to have waited an unreasonable time, for every interested party, so far as concerns this case, assented to the delay.

ASSESSMENT TO RESTORE IMPAIRED CAPITAL—DIRECTORS—STOCKHOLDERS.

Supreme Court of Oregon, May 3, 1902.

WEINHARD vs. COMMERCIAL NATIONAL BANK OF PORTLAND.

Under the National Bank Act the authority to levy assessments upon the shareholders of a bank for the purpose of repairing its capital stock is vested in the shareholders themselves and not in the directors.

These were two separate actions brought by Henry Weinhard and George H. Williams, respectively, to recover the value of certain shares of stock in the defendant corporation alleged to have been wrongfully converted by it. As the same questions were involved in each case, they were considered together.

The defendant is a banking association, organized under the National Bank Act. On December 5, 1896, the Comptroller of the Currency found that its capital stock had become impaired to an extent which made necessary an assessment of $250,000, and notified the association to pay the deficiency by assessments upon its shareholders pro rata, and, if not so paid, and the bank should refuse to go into liquidation, as provided by law, for three months after the receipt of the notice, a Receiver would be appointed to close up its business.

Upon the receipt of the notice, the directors of the bank held a meeting, and levied an assessment upon each shareholder of fifty per cent., or fifty dollars per share, payable on or before March 11, 1897. At the time of such assessment, Weinhard owned 100 shares of the capital stock, fully paid up, of the par value of $10,000, and Williams sixty shares, of the par value of $6,000, likewise fully paid up. They both refused or neglected to pay the assessment levied by the directors, and on May 5, 1897, their stock was sold at public auction, in pursuance of a resolution of the board, and the bank received on such sale the amount of the assessment. Thereafter these actions were brought to recover the value of the stock sold by the corporation, alleging it to be worth par, on the ground that the assessment was invalid, and without authority of law. The plaintiffs recovered judgment in the court below, and the bank appealed.

Bean, *C. J.* (omitting part of the opinion): The other question involves a construction of the National Bank Act. It provides, in brief, that any number of natural persons, not less than five, may form an association for carrying on the business of banking, by executing and filing with the Comptroller of the Currency articles of association and an organization certificate, stating certain facts. (Rev. St. U. S. §§ 5133–5135). Such association thereupon becomes a body corporate, with power, among other things, to elect or appoint directors, and, by such directors, to appoint a President, Vice-President, Cashier, and other officers, etc.; to prescribe by-laws, regulating the manner in which its stock shall be transferred, its directors and officers elected or appointed, its general business conducted, and the privileges granted to it by law exercised and enjoyed, and to exercise all such incidental powers as shall be necessary to carry on the business of banking, etc. (Id. § 5136.) At least fifty per centum of the capital stock must be paid in before the bank can be authorized by the Comptroller of the Currency to commence business, and the remainder in monthly installments of at least ten per centum, which fact shall be certified to such officer under oath. (Id. §§ 5139, 5140.) The affairs of each association shall be managed by not less than five directors, who shall be elected by the shareholders. (Id. § 5145.)

The shareholders are individually responsible, equally and ratably, and not one for another, for all contracts, debts and engagements of the association, to the extent of the amount of their stock therein, at its par value, in addition to the amount invested in such shares (Id. § 5151), and no association, or any member thereof, shall, during the time it shall continue its bank-

ing operations, withdraw or permit to be withdrawn, either in the form of dividends or otherwise, any portion of its capital (Id. § 5204).

Section 5205 reads as follows:

"Every association which shall have failed to pay up its capital stock, as required by law, and every association whose capital stock shall have become impaired by losses or otherwise, shall, within three months after receiving notice thereof from the Comptroller of the Currency, pay the deficiency in the capital stock, by assessment upon the shareholders *pro rata* for the amount of capital stock held by each; and the Treasurer of the United States shall withhold the interest upon all bonds held by him in trust for any such association, upon notification from the Comptroller of the Currency, until otherwise notified by him. If any such association shall fail to pay up its capital stock, and shall refuse to go into liquidation, as provided by law, for three months after receiving notice from the Comptroller, a Receiver may be appointed to close up the business of the association, according to the provisions of section fifty-two hundred and thirty-four."

The assessment and subsequent proceedings in this case were had under the provisions of the section quoted, and the question for our decision is whether, when the Comptroller of the Currency finds that the capital stock of a National bank has been impaired, by losses or otherwise, and notifies the association to make up the deficiency by assessment on its shareholders or a Receiver will be appointed, such assessment is to be made by the shareholders or directors of the association. In our opinion, the language of the section plainly implies that, upon receiving such notice, the association may elect to either continue in business by increasing the amount of the investment, or go into voluntary or involuntary liquidation, and, as this question affects the shareholders alone, they, and not the directors, are entitled to determine the course that shall be pursued.

The individual liability of the shareholders in a National bank is fixed by statute at the par value of the stock held by each, in addition to the amount invested in such shares (section 5151), and does not arise except in case of liquidation and for the purpose of winding up the affairs of the institution. There is no legal obligation on their part to pay an additional assessment necessary to repair the capital stock, unless it is voluntarily authorized by them. Their only obligation, when notice is given by the Comptroller of the Currency of the impairment of the capital stock of the bank, is either to assess themselves and make up the deficiency, and thus increase their investment, or to go out of business, and, we think, the law contemplates that this right shall be exercised by them alone. If they desire and elect to continue in business, they must make up the deficiency; but they are, in our opinion, at liberty to take the other alternative and allow the corporation to go into liquidation. The question is a Federal one, and, so far as we are advised, has never been directly passed upon by the Supreme Court of the United States.

In Delano vs. Butler, 118 U. S. 634, the court was called upon to decide whether payments made upon assessments voluntarily levied by the shareholders, under Rev. St. U. S. § 5205, could be applied in the discharge of subsequent assessments made by the Comptroller in final liquidation of the bank, under section 5151. It was held that they could not. Mr. Justice Matthews' opinion proceeds on the theory that the assessment contemplated by section

5205 is one to be imposed on the shareholders by their own vote, for the purpose of restoring their lost capital, as a consideration for the privilege of continuing in business, while, under section 5151, the shareholders may be compelled to discharge their individual responsibility for contracts, debts and engagements of the association. He says:

"The assessment as made under section 5205 is voluntary, made by the stockholders themselves, paid into the general funds of the bank as a further investment of the capital stock, and disposed of by its officers in the ordinary course of its business. It may or may not be applied by them to the payment of creditors, and in the ordinary course of business certainly would not be applied, as in cases of liquidation, to the payment of creditors ratably; whereas, under section 5151, the individual liability does not arise, except in case of liquidation, and for the purpose of winding up the affairs of the bank. The assessment under that section is made by authority of the Comptroller of the Currency, is not voluntary, and can be applied only to the satisfaction of the creditors equally and ratably."

These remarks are, of course, not authoritative, because they were not necessary to the decision of the case; but they are, nevertheless, very persuasive, and indicate the views of the learned justice, if not the entire court.

In Hulitt vs. Bell, 85 Fed, 98, the circuit court of the United States for the Southern District of Ohio, in an able and well reasoned opinion by Judge Sage, held that an assessment levied by a board of directors of a National bank to make up a deficiency in its capital stock, under section 5205, was invalid, and not within the power of the directors, but should have been made by the shareholders themselves. After referring to the duties and powers of the directors as provided in the bank act, he says:

"The assessment in question does not fall within any of these powers. It does not come under the head of incidental powers necessary to carry on the business, nor is it included in the conduct of general business. It is a provision for a special emergency, so unusual and of such importance as to make it necessary for the association to consider and determine whether it will continue in business or wind up its affairs. The impairment of the capital may have resulted from inefficiency or incapacity or the fault or wrong of the directors under whose administration of the affairs of the bank it occurred. Their holdings of the capital stock may be but a small proportion of the entire amount. They ought not to exercise control over a matter so vital, unless the statute gives it to them in unmistakable terms."

It is argued that the opinion of the court upon this point is entitled to but little weight, because the case could have been, and was, decided upon another point. The validity of the assessment was directly involved in the case argued by counsel and considered and passed upon by the court, and, if the opinion of Judge Sage is dictum at all, it should, as said by Mr. Justice Cassiday, in Buchner vs. Railway Co., 60 Wis., 264, "be regarded as 'judicial dictum,' in contradistinction to mere obiter dictum." It was not a mere argument or illustration of some collateral question, but was the opinion of the court upon a litigated point in the case, and is entitled to be considered and recognized as such.

The judgment of the court below will therefore be affirmed.

AUTHORITY OF BANK TO COLLECT AND REMIT MONEY—RENT DUE UNDER LEASE—AUTHORITY OF CASHIER.

Supreme Court of South Dakota, April 1, 1902.

KNAPP vs. SAUNDERS.

The court will take judicial notice that banks possess power to act as agents in the collection and remission of money, and the fact that the money collected was due and payable under a lease is not sufficient to constitute an exception to the rule.

Where the Cashier of a bank so receives money, the presumption is that he is acting in his official, rather than in his individual, capacity.

FULLER, *J.:* As a defense to this action to recover $353.45, which it is claimed respondent collected as the agent of appellant from a certain tenant of his, testimony was introdnced sufficient to justify the jury in finding that the Merchants' Bank of Millbank, of which respondent has always been Cashier, was the sole agency through which the business was transacted. To collect and remit money as the agents of others being one of the purposes for which banks are organized, there is no merit in the contention that this bank was without authority to act as the agent of the appellant for the collection of the monthly rental of the premises described in the complaint. Such practice being entirely consistent with a universal custom, strictly in accordance with the law merchant, and not contrary to the statute, it might well be judicially noticed that banks possess power to act as agents in the collection and remission of money. (1 Morse, Banks and Banking, pp. 47, 48, 52, and cases cited in the notes.)

The fact that the money collected was due and payable under the terms of a lease is not sufficient to constitute an exception to the rule. Respondent, being the chief executive officer of the bank, rightfully shown to be engaged in the collection business, including that of rents, the presumption is that in receiving and depositing the money subject to appellant's check, he was acting officially, rather than in an individual capacity ; and upon probative evidence properly admitted the jury so found.

We find all the rulings of the trial court upon questions of evidence, as well as the instructions under which such evidence was submitted to the jury, to be entirely consistent with the view we have taken, and the judgment appealed from is affirmed.

CASHIER'S CHECK—STOPPING PAYMENT THEREOF.

Supreme Court of North Dakota, Oct. 26, 1901.

DRINKALL vs. MOVIUS STATE BANK.

As a Cashier's check is the obligation of the bank, payment thereof cannot be countermanded by the payee after transfer.

This was an action to recover the amount of a Cashier's check issued by the defendant bank to the order of the plaintiff. The defense of the bank was that payment had been made to the owner and holder thereof in due course of business.

YOUNG, *J.* (omitting part of the opinion): A Cashier's check, so called, differs radically from an ordinary check. The latter is only a bill of exchange drawn by an individual on a bank, payable on demand; or, in other words, it is an order upon a bank purporting to be drawn upon a deposit of funds,

for the payment of a certain sum of money to a person named, or to order or bearer, on demand. As between himself and the bank, the drawer of the check has the power of countermanding his order of payment at any time before the bank has paid it, or committed itself to pay it. (5 Am. and Eng. Enc. Law, 2d Ed. 1079, and cases cited.)

When the check, however, is certified by the bank, the power of revocation by the drawer ceases, and the bank becomes the debtor. (1 Morse, Banks, §§ 398, 399.) A Cashier's check is of an entirely different nature. It is a bill of exchange, drawn by the bank upon itself, and is accepted by the act of issuance; and, of course, the right of countermand, as applied to ordinary checks, does not exist as to it. (2 Rand. Com. Paper, § 588; 1 Daniel, Neg. Inst. 444; 1 Pars. Notes and B. 288.)

The bank, in such case, is the debtor, and its obligation to pay the Cashier's check is like that of the maker of any other negotiable instrument payable on demand. As applied to the case under consideration, the rights and obligations of the plaintiff and defendant as to the Cashier's check in question were those of a payee and maker of a negotiable promissory note payable on demand.

ALTERATION OF INSTRUMENT—BONA FIDE HOLDER.

Supreme Court of Tennessee, March 15, 1902.

MOSS vs. MADDUX, *et al.*

Where a promissory note has been fraudulently altered after execution, there can be no recovery thereon even by a bona fide holder for value.*

WILKES, *J.:* Complainant in his bill charges that one Lem Maddux, as principal, and defendants, as sureties, executed and delivered to him a note for $185, and he seeks to recover the same and interest. Lem Maddux, the principal, was not sued, being a nonresident and insolvent. The note was exhibited with the bill, and comes to this court in its original shape. The defendants, W. H. Maddux and R. F. Maxwell, filed a general plea of *non est factum*. Upon trial in the court below, the chancellor gave judgment for the $185 and interest upon it, and defendants appealed. The court of chancery appeals sustained the plea of *non est factum*, and reversed the chancellor, and refused any relief, and complainant has appealed to this court.

The court of chancery appeals bases its holding upon the fact found by it that after the sureties had signed the note an attempt was made to alter it, so as to make it a note for $285 instead of $185. That court reports that the figures in the upper left-hand corner of the note have evidently been tampered with, so that they appear to be $285, and not $185, and that some effort was made to change the words written in the body of the note, but the effect was slight; that the body of the note still clearly reads one hundred and eighty-five, though it can be seen that it has been tampered with. An inspection of the note shows this finding to be correct. They find that complainant received this note as being for $285, and surrendered other secured claims to that amount in consideration of the note; that he was an old man,

*This rule has been changed by the Negotiable Instruments Law, which provides that "When an instrument has been materially altered and is in the hands of a holder in due course, not a party to the alteration, he may enforce payment thereof according to its original tenor."

and unable to read, and his wife inspected the note, and, relying on the figures, reported that it was a note for $285, and thereupon complainant so received it. The court of chancery appeals finds that the defendant sureties signed the note for $185; that after it was written it was altered; that complainant was in no way responsible for any alterations in the note; that the parties sued are the brother and brother-in-law of the principal, who has fled the country; that complainant, when he took the note, did not know it had been changed or altered. The defendants did not testify on the trial, but it was proven that they admitted signing the note for $185, but denied signing it for $285. The court of chancery appeals find that the defendants did not at any time, before or after the note was signed, consent to any alteration, and that it was altered after it was executed, and before it was delivered. The court of chancery appeals report that this alteration must defeat any recovery on the note, and cite, as sustaining this contention, Crockett vs. Thomason, 5 Sneed, 344; Organ vs. Allison, 9 Baxt. 459; McVey vs. Ely, 5 Lea, 438; McDaniel vs. Whitsett, 96 Tenn. 10; Taylor vs. Taylor, 12 Lea, 714.

In each of the cases cited by that court the alteration was made with the knowledge and consent of the payee or holder of the note, and would, if enforced, inure to his benefit, and was therefore fraudulently made. The suit was brought upon the instrument as altered, and to enforce it as it stood after alteration, except that in the case of McDaniel vs. Whitsett there had been an attempt to efface the alteration. In that case the alteration had been fraudulently made by the holder in order to fix a lien. He afterward undertook to erase this, and the court held that after the alteration had been fraudulently made, and the validity of the note thus destroyed, the erasure could not restore the validity of the note and make it collectible by the party guilty of the alteration. In the present case there is no fraud whatever on the part of complainant. On the contrary, he has been himself defrauded, no doubt by the maker of the note, by being misled into the belief that the note was for $285, when it was for only $185. He made no attempt at erasure or correction of the note, but sued upon it as a note for $185, for which amount defendants admit they signed and bound themselves.

The grounds upon which a party guilty of altering an evidence of debt is not allowed to recover are twofold—one to prevent a party from profiting by his own fraud, and the other to insure the identity of the paper and prevent the substitution of a different one. The object is to inflict a penalty on the wrongdoer and protect the other party.

But it has also been held, and more to the point, in Stephens vs. Davis, 85 Tenn. 271, 2 S. W. 382, that a note thus altered after it was signed is void and uncollectible in the hands of a *bona fide* or innocent purchaser. This is upon the theory that when the instrument is once altered to the prejudice of the maker, or any one of them, it becomes void as to the parties who might be affected by the alteration, and, being void, no right could attach in the hands of even an innocent transferee; in other words, he can stand upon no higher grounds than the party who made the alteration, and, having taken a void instrument, it is void in his hands.

Following this decision, we are constrained, though it works a gross injustice to complainant, to hold that he cannot recover, and we therefore affirm the decree of the court of chancery appeals. (In accord, see 2 Cycl. Law & Proc. pp. 177, 179; Daniel, Neg. Inst. §§ 1384, 1405.)

CONDENSED LEGAL DECISIONS OF INTEREST TO BANKS.

ACTS OF OFFICERS—BINDING EFFECT—NOTICE—DIRECTING VERDICT—ELECTION OF REMEDIES.

As a general rule, acts done by an officer of a bank away from its place of business, and not authorized or ratified, are not binding upon it.

The acts of a bank officer, outside the usual scope of his authority, in a matter to which it is no party, and of which it is not chargeable with notice, do not bind the bank.

A bank is not chargeable with notice of the fraudulent act of its employee outside the scope of his authority, and in furtherance of his own personal designs, solely because he is an employee.

The inferences which may be drawn from the testimony in determining the propriety of a direction to find a verdict for one of the parties must have some reasonable foundation in the facts shown. Mere guesswork and conjecture will not be indulged in.

A depositor, who claims that a bank has paid out his money to a person not entitled to receive it, has an election to sue the bank or the person who received the money, but cannot proceed against each, unless in cases of conspiracy or joint wrong.

Prosecution to final judgment of a suit against the person to whom the money was paid is an election to treat the payment by the bank as proper and authorized, and will bar a subsequent suit against the bank for the amount of the deposit.

Jones vs. First. Nat. Bank of Lincoln, 90 N. W. Rep. (Neb.) 912.

ATTACHMENT—NATIONAL BANKS—DISMISSAL.

Plaintiff commenced an action against non-residents and attached certain cotton. A National bank intervened, claiming the cotton, whereon plaintiff brought an action against the bank, in which he again attached the cotton. *Held*, that a motion of the bank to dissolve the attachment against it should have been granted, under Rev. St. U. S. Sec. 5242, providing that no attachment shall be brought against a National bank in any State court.

Willard Mfg. Co. vs. Merchants' Nat. Bank of Vicksburg, Miss., 41 S. E. Rep. (N. C.) 870.

BANK OFFICER—RECEIPT OF DEPOSIT—AUTHORITY—EVIDENCE—BANK'S LIABILITY.

Whether an officer of a bank had power to bind it by the acceptance of a deposit, with instructions as to its distribution, is to be determined by a consideration of his relation to the bank, and the principles governing the same, and not by the mere opinion of a witness, such as the Cashier and Secretary, as to the legal effect of that relation.

A debt to a bank was secured by a deed of trust which named an officer thereof as trustee. The latter generally attended to its loans, and in the course of such business received a check from an intending purchaser of the property for more than the amount of the debt, and signed a reconveyance of the property to the parties. The transaction was had and the check delivered to him across the counter and at the desk or window where such

transactions were ordinarily had; and he was instructed to deduct the amount of the debt, and hold the balance on deposit for the debtor. He handed the check to a teller, and the money therefor was received by the bank. He was authorized to sign and indorse checks and sign certificates of deposit in the absence of the Cashier, and in this case issued a certificate to the debtor's husband for the balance due her, and afterwards paid the same to the husband's order. *Held*, that he was authorized to receive the deposit, and the bank was accordingly liable for the money received for the debtor, and which it had never paid to her.

Burnell vs. San Francisco Sav. Union, 69 Pac. Rep. (Cal.) 144.

CERTIFICATES OF DEPOSIT—VALIDITY—RECEIVER—STOCKHOLDERS—LIMITATIONS.

A bank having a nominal capital stock of $25,000, and an indebtedness besides to the amount of $14,542,—its entire assets being only of the value of $21,000,—issued certificates of deposit for the amount of $12,500 to its several stockholders, and also $12,500 of the new capital stock to take up the former capital stock. *Held*, that the certificates of deposit are without consideration, as against a Receiver and creditors of the bank, and that without regard to when the creditors became such.

The bank having gone into the hands of a Receiver, the latter can maintain an action to recover payments made upon such certificates of deposit within four years of the time of commencing such action.

Another bank, which held as collateral a part of the $25,000 of previous stock, and surrendered the same, and accepted in lieu thereof one-half in new stock and one-half in certificates of deposit, stands, as to this reduction of stock, in the shoes of an ordinary stockholder, and cannot recover against the Receiver on its deposit certificates.

State vs. Bank of Ogallala, *et al.* 90 N. W. Rep. (Neb.) 961.

DEPOSITS—APPLICATION ON DEPOSITOR'S NOTE—SUFFICIENCY OF AUTHORITY—CORRECTION OF ORDERS IN SAME COURT.

Where a bank depositor deposited a draft to his own credit, a previous understanding between him and the bank Cashier that the proceeds of such draft, when it was deposited, should be credited upon a certain note previously executed by the depositor, did not authorize the Cashier to credit the proceeds of such draft to the account of the payee of the note at a time when the note was in the hands of another bank, and beyond the payee's control, so that it was impossible to indorse the payment on the note, and thus relieve the depositor, to the extent of the payment, from liability to the holders of the note.

Where, on the hearing of a petition by bank depositors asking for an order directing the Receiver of the bank to treat them as general creditors, the evidence showed that petitioners were general depositors, but an order was nevertheless entered in conformity with the prayer of the petition, the court had power, on a subsequent petition, to correct the former order by substituting therein the words "general depositors" in lieu of "general creditors."

Kunze, *et al.* vs. Tawas State Sav. Bank, 90 N. W. Rep. (Mich.) 668.

DIRECTORS OF CORPORATION—CONSTITUTIONAL LIABILITY—SAVINGS BANK—MISAPPROPRIATION OF FUNDS—PENAL LIABILITY—MAINTENANCE OF ACTION—ASSIGNEE OF DEPOSITOR—CREDITOR AFTER MISAPPROPRIATION—NECESSARY PARTIES—FORM OF ACTION—CONSTITUTIONAL LAW—DUE PROCESS OF LAW.

Const., Art. 12, Sec. 3, which provides that the directors or trustees of corporations shall be jointly and severally liable to the creditors and stockholders for all moneys misappropriated by officers during their terms of office, is self-executing.

Under this provision directors of a Savings bank with a capital of $100,000, of which $20,000 was paid up, and with no reserve fund, who willfully misappropriated its funds to hold up another bank, which was principally owned and entirely managed by them, by pretending to purchase its valueless paper, contrary to Civ. Code, Sec. 571, providing that loans by Savings banks must be on adequate security, and section 574, prohibiting the purchase of securities of any kind by such corporations other than those of the United States, State, counties, cities, cities and counties, or towns of the State, unless it has a capital stock or paid-up reserve of not less than $300,000, are liable to creditors and stockholders for such misappropriations.

This liability is not penal in the technical sense, as it allows no recovery as a punishment, but only to compensate for a loss.

The assignee of a depositor in a Savings bank can maintain an action against the directors of such bank for a misappropriation of funds.

A creditor of a Savings bank may sue the directors thereof for a misappropriation of its funds, although he became a creditor after the misappropriation had been made.

This action may be brought by any one creditor, independent of the others, especially where it does not appear that there were other creditors.

The claim of a creditor of a Savings bank need not be reduced to a judgment before bringing action against the directors of the bank for a misappropriation of its funds.

An action by a creditor of a Savings bank against the directors thereof for a misappropriation of its funds is not primarily an action to enforce an accounting, and a specific demand for an accounting need not be made.

Const., Art. 12, Sec. 3, making the directors of corporations liable for misappropriation of funds, is not obnoxious to Const. U. S. Amend. 14, as taking property without due process of law, or denying the equal protection of the law.

Rice, *et al.* vs. Howard, *et al.* 69 Pac. Rep. (Cal.) 77.

PRESIDENT—POWERS—STATEMENT TO SURETY COMPANY—CASHIER'S BOND.

A bank Cashier applying to a surety company for a bond accompanied the application with a statement as to his past conduct and the condition of his account, signed by the President of the bank, which was incorrect, though made in good faith. Such statement was not referred to in the bond issued. The President had no special authority to make it, and none of the directors knew of it until interposed as a defense in a suit on the bond; defendant claiming that the statement was either a false warranty by the bank, or a

misrepresentation by it of material facts, which induced defendant to execute the bond. *Held*, that making the statement was no part of the duties of the office of President, and not within his implied powers or ordinary duties, but was his individual act, by which the bank was not bound.

United States Fidelity and Guaranty Co. vs. Muir, 115 Fed. Rep. (U. S.) 264.

SPECIAL DEPOSIT—FOLLOWING TRUST DEPOSIT.

Where a bank, receiving a deposit from an executor, knows it is a deposit of estate funds, it is a special deposit, as an executor cannot lawfully make a general deposit of such funds.

Where a bank mingles a trust fund with its general funds, and becomes insolvent, the fund may be followed and a trust impressed thereon, if it can be identified, or if it has swelled the funds of the bank.

Officer, vs. Officer, *et al.* 90 N. W. Rep. (Iowa) 926.

SUIT BY RECEIVER OF NATIONAL BANK—FRAUDULENT CONVEYANCE—NECESSITY OF RECORDING—CONVEYANCE IN TRUST UNDER PENNSYLVANIA STATUTE—PREFERENTIAL CONVEYANCE—FRAUDULENT INTENT—RECEIVER OF NATIONAL BANK—DEALINGS WITH PLEDGED SECURITIES.

A suit brought by the Receiver of a National bank, by direction of the Comptroller of the Currency, to enforce a liability due to the bank, and to secure a sale under the order of the court of pledged securities, constituting a considerable part of its assets, is one for winding up the affairs of the bank, within the meaning of the proviso of section 4 of the Federal judiciary act of 1888, and within the jurisdiction of a circuit court of the United States, without regard to the citizenship of the parties.

The provision of Act Pa. March 24, 1818, requiring all assignments in trust by debtors on account of inability at the time to pay their debts to be recorded within thirty days, does not apply to a transfer made directly to a creditor for his benefit alone; and the transfer of property to the Receiver of a National bank to secure a debt is, in effect, one to the bank itself, and not in trust, and is not within the statute.

No presumption of a fraudulent intent to hinder and delay other creditors arises from a transfer of property as security to a *bona fide* creditor, whose debt is due, although it is understood by the parties that the effect of the transfer will be to give such creditor a preference; nor can such an intent be inferred from a provision of the instrument of transfer that the property shall be returned in case a certain contemplated adjustment of the affairs of the debtor shall be made, which provision is favorable to other creditors.

Evidence *held* insufficient to establish the invalidity of a transfer of property by an insolvent debtor to the Receiver of a National bank by way of security for a debt due the bank, either on the ground of undue influence, duress, a fraudulent intent to hinder and delay creditors, or the insanity of the debtor.

An instrument assigning certain shares of stock and bonds to the Receiver of a National bank to secure a debt from the assignor to the bank, subject to certain prior pledges of a portion of the stock and bonds, in terms vested the

Receiver with "the rights of an owner, so far as regards sale, disposition and management." *Held*, that dealings with the stocks and bonds by the Receiver after the assignor's death, with the approval of the Comptroller, by which a forced sale was prevented by prior pledgees, and all parties in interest were benefited, could not be attacked in equity by the assignor's administrator because he did not assent to the same.

McCartney, *et al.* vs. Earle, 115 Fed. Rep. (U. S.) 462.

NOTICE TO OFFICERS.

The rule is well settled that a bank or other corporation, being once charged with notice of the character of a transaction, continues to be affected by such notice, whatever changes may occur in the personnel of its working force.

United States Nat. Bank of Holdrege vs. Forstedt, 90 N. W. Rep. (Neb.) 919.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B. A., LL. B.; Barrister, Toronto.]

BANK BILLS AND NOTES—CONDITIONAL ENDORSEMENT—PRINCIPAL AND AGENT—KNOWLEDGE BY AGENT—CONSTRUCTION—NOTICE—DECEIT.

COMMERCIAL BANK OF WINDSOR vs. MORRISON (32 S. C. R. p. 98).

STATEMENT OF FACTS: This was an appeal to the Supreme Court of Canada from the Court of Appeal for Nova Scotia whose judgment is reported at page 823 of the MAGAZINE for June, 1902, under the case of Commercial Bank of Windsor vs. Smith. The facts are there fully set out. Morrison, the respondent, had endorsed the notes of his co-defendant Smith upon condition that one Harrington should also endorse them before they were discounted. The condition of the endorsement was known to the appellant's local Manager at Middleton, who had been instructed by his head office not to advance the money unless Harrington endorsed the notes. He, however, discounted the notes without the additional signature. The bank was held bound by the condition of Morrison's signature.

JUDGMENT (on appeal to Supreme Court; the judgment of the court was delivered orally by the Chief Justice): The only title that the bank had to the notes in question was through Marshall, its agent, and it is impossible that they can be used by the bank except subject to the terms upon which the notes were delivered to the agent through whom it derived its title.

It was known to Marshall that it had been agreed between Morrison and Smith that the notes should be available only upon condition that some other responsible person should also become surety. The agent took the notes subject to this condition, and it must be assumed that the bank also agreed to these terms.

So far as the pleadings are concerned, they are sufficient to raise this issue.

Of course, it has been decided that the principal is not affected where the agent has been guilty of fraud, but it is not sufficient for the bank to show merely that the agent had some interest in deceiving his principal. It must be shown that the agent was actually implicated in a fraud on his principal.

Marshall could not have recovered upon the notes if he had sued in his own name, as he accepted them conditionally, and it is not sufficient to show that he was interested in not communicating this condition to his principal.

So far as the facts of the case are concerned they are sufficiently settled by the findings of the jury to the questions put to them, except as regards the fourth, sixth and eleventh questions, as to which a new trial has been ordered.

The appeal must be dismissed with costs.

EXECUTION—UNASSIGNED DOWER—EQUITY OF REDEMPTION.

CANADIAN BANK OF COMMERCE vs. BOLSTON (Execution Act, Ontario, Secs. 29, 30, 33).

STATEMENT OF FACTS: The defendant's husband died in 1899, intestate, leaving the defendant and two children surviving, and being owner in fee simple of the equity of redemption in a farm subject to a mortgage. Consequently the defendant upon his death had her election between taking her dower in the equity of redemption or taking an undivided one-third of the land subject to the mortgage, as tenant in common with her children, the heirs-at-law. She had not exercised her option at the time the writ of execution herein was placed in the sheriff's hands.

JUDGMENT: No matter which way the defendant elected, her interest is not salable by the sheriff under the writ of *fieri facias.* The interest of one of several shares in an equity of redemption cannot be sold under a *fi fa;* nor is there any authority under the statutes in a sheriff to sell a widow's dower in an equity of redemption.

A widow having a right to dower which has not been assigned, although she is entitled to redeem a mortgage to which her dower is subject, is not possessed of an estate in land, and is not therefore an "assign" of her husband, nor a "person having the equity of redemption" within section 29 of the Execution Act. Her interest does not come within section 30 of that act, providing for sale of the equity of redemption, nor under section 33, and therefore is not salable.

The bank as execution creditor should have applied to the court on motion for an order for the sale of such interest in the land as the debtor might have, making the application under rules 1016, 1017, 1018.

NEGOTIABLE INSTRUMENT—DEBENTURE PAYABLE TO BEARER—USAGE—CONVERSION—SALE BY BROKER ON STOCK EXCHANGE—HOLDER FOR VALUE.

EDELSTEIN vs. SCHULER & CO.

STATEMENT OF FACTS: Certain debenture bonds, some issued by an English company in England and others by foreign companies abroad, and expressed to be payable to bearer, and not being promissory notes, were stolen from the plaintiff by his clerk. For the purpose of selling the bonds, the clerk employed a broker at Bradford, who instructed the defendants, brokers on the London Stock Exchange. The defendants, acting in good faith, entered into contracts for the sale of the bonds to jobbers. The bonds were then sent by the broker to the defendants, who handed them to the jobbers and remitted the price received to the broker. In an action by the plaintiff against the defendants for conversion of the bonds, it was proved

that, by the usage of the mercantile world and of the Stock Exchange, bonds of the kind in question are treated as negotiable instruments transferable by mere delivery.

JUDGMENT: "Neither the thief nor Megson was worth suing, and probably the plaintiff doubted whether he could make out a cause of action against the jobbers; but, whatever the reason, he selected the London brokers as the persons whom he would sue, and I have to determine whether they are liable. A body of evidence was called at the trial to show that all these bonds pass from hand to hand among the people who deal in them, and that they are treated as negotiable in the same way as the bonds of foreign governments. No serious attempt was made to refute this evidence, and it quite satisfied me that all the bonds in question belong to a class which bankers, stock brokers and others whose business it is to deal in such securities treat, rightly or wrongly, as negotiable and as passing from hand to hand by mere delivery. It is in these circumstances that the plaintiff seeks to fix the defendants with liability. He says that, though such bonds may in fact be treated commercially as negotiable, they are not in law negotiable; and he further says that even if lawfully negotiable, yet, as the defendants were never holders of them for value, they are liable in trover, having handled them with the intention of vesting the property and possession in the jobbers who bought them.

In support of the first of these two contentions Mr. Danckwerts argued that the attribute of negotiability could not be attached to a contract except by the law merchant, and that these bonds are of such recent creation that their negotiability under that branch of the law cannot be justified. It is no doubt true that negotiability can only be attached to a contract by the law merchant or by a statute; and it is also true that, in determining whether a usage has become so well established as to be binding on the courts of law, the length of time during which the usage has existed is an important circumstance to take into consideration; but it is to be remembered that in these days usage is established much more quickly than it was in days gone by; more depends on the number of the transactions which help to create it than on the time over which the transactions are spread; and it is probably no exaggeration to say that nowadays there are more business transactions in an hour than there were in a week a century ago. Therefore, the comparatively recent origin of this class of securities, in my view, creates no difficulty in the way of holding that they are negotiable by virtue of the law merchant; they are dealt in as negotiable instruments in every minute of a working day and to the extent of many thousands of pounds. It is also to be remembered that the law merchant is not fixed and stereotyped; it has not yetbeen arrested in its growth by being moulded into a code; it is, to use the words of Cockburn, C. J., in Goodwin vs. Roberts (1), capable of being expanded and enlarged so as to meet the wants and requirements of trade in the varying circumstances of commerce, the effect of which is that it approves and adopts from time to time those usages of merchants which are found necessary for the convenience of trade; our common law, of which the law merchant is but a branch, has in the hands of the judges the same facility for adapting itself to the changing needs of the general public; principles do not alter, but old rules of applying them change and new rules spring into existence. In my opinion the time has passed when the negotiability of bearer bonds, whether

government bonds or trading bonds, foreign or English, can be called in question in our courts. It would be a great misfortune if it were otherwise, for it is well known that such bonds are treated in all foreign markets as deliverable from hand to hand; the attribute not only enhances their value by making them easy of transfer, but it qualifies them to serve as a kind of international currency; and it would be very odd and a great injury to our trade if these advantages were not accorded to them in this country. But I am not to be guided alone by evidence and by questions of expediency. The point is entirely covered by authority.

The negotiability of the bonds being established, it is clear that the jobbers who bought them, having given value and having acquired them without any notice of infirmity in the vendor's title, could not be sued in trover by the plaintiff. But can the defendants, the brokers who assisted in perfecting the good title acquired by the jobbers, be sued? It is said they can.

It is argued that the defendants by what they did in handing the bonds to the jobbers have brought themselves within this rule of law. But, in my opinion, before the defendants had possession of the bonds at all or physically dealt with them in any way, they had become entitled to them for a valuable consideration just as effectually as the jobbers subsequently became entitled to them by paying the purchase price. When in the ordinary course of business the defendants negotiated the sale of the bonds to the jobbers they came under a personal liability to the jobbers to deliver them. This liability they undertook at the request of Megson, who was acting for the thief, and in consideration of their undertaking the liability, Megson or the thief promised that he would deliver to them the bonds; the circumstances, in my view, made the defendants holders for value, and, as the bonds were negotiable, gave them power to deal with the bonds.

But, even if they were not holders for value, I doubt whether they could be sued in trover, or sued at all. There appears to me to be an essential difference between meddling with goods with the intention of transferring a title which will be bad as against the true owner and the case of assisting in perfecting a title which will be good as against the true owner. It would be very odd that an action should lie against the broker for assisting the jobber to get his title when no action lies against the jobber who gets the title; and to so hold would go far to destroy the advantages of the negotiability of the bonds. It is not, however, necessary for me to decide this point. It is sufficient for me to say that, in my opinion, these bonds were negotiable instruments, and that the defendants were holders of them for value.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

A reasonable charge is made for Special Replies asked for by correspondents—to be sent promptly by mail.

APPROPRIATION BY CASHIER.

Editor Bankers' Magazine: CONCORD, N. H., July 2, 1902.

SIR: F. E. B. was Cashier of a bank. C. W. B., his brother, was his creditor. C. W. B. needed his money and the Cashier agreed to credit his account in the bank with the amount of his indebtedness. C. W. B. then turned over to him all evidence of such indebtedness, properly cancelled. F. E. B. honored his brother's checks through the bank to the amount

of his deposit in addition to the sum he promised to credit him with, but never credited him with the amount as promised, so that on his death an overdraft appeared against the brother on the bank books. F. E. B. died while this condition existed. Can the bank recover from his estate, or must it look to C. E. B. on the overdraft? ADMINISTRATOR.

Answer.—The bank can recover from the estate of F. E. B., as it is clearly an appropriation of the bank funds to his use.

TRUST FUNDS.

Editor Bankers' Magazine: LOUISVILLE, Ky., July 5, 1902.

SIR: A bank frequently accommodated a trust company with currency of the various denominations on request, and without charge. On January 2, the trust company, by telephone, asked the bank for $2,000 in $2.00 bills, and on a favorable response, sent its check for that amount on the F—— bank, where it had funds to meet it, by messenger, who returned with the bills put up in packages. On the next day, the trust company, without opening its doors, failed, and made an assignment for the benefit of creditors, of which the F——bank had immediate notice. The bank furnishing the $2.00 bills, in the regular course of business, sent the check to the clearing-house before 8:30 on the morning of the 3d, but the F—— bank, because of the assignment, refuses to honor it, and the bank having the check was compelled to take it up. The $2,000 received by the trust company remained in the packages in its possession, unbroken, and was turned over to its assignee. What course shall the bank pursue to recover the $2,000? ACCOMMODATION.

Answer.—The money constitutes a trust fund, being easily identified. It was procured by clearly implied representations as to solvency, and the bank can recover on filing a bill therefor.

NEGOTIABLE NOTES—COLLATERAL.

Editor Bankers' Magazine: BRADFORD, Pa., July 3, 1902.

SIR: For a valuable consideration, A gave J three notes, two for $1,000 each, and the other for $2,000, payable to J or order, on or before six months from date. Each note contained the following: "Along with this obligation and two others of the same date, which aggregate $4,000, I have delivered certificate No. 75, for 176 shares of stock in the H Gas Company, accompanied with a letter of attorney for the transfer of same, as collateral security for the payment of said obligations, and, in default of payment of said obligations, I hereby authorize the holder thereof, after ten days' notice to me, to sell said stock, either by public or private sale, and apply the proceeds towards the payment of the above-mentioned notes." The certificate for the stock was delivered to J with the notes. J, afterwards, indorsed the two $1,000 notes without recourse, and sold them to L. L transferred them to his brother Joseph, in part payment of an indebtedness. Joseph indorsed and delivered them to H for collection. The collateral was not delivered to L or the subsequent holders of the notes. After the notes were due, A paid the $2,000 note to J, and took it up, and exchanged with him 81 shares of the H Gas Company stock for the 176 shares previously held. J signed the following receipt and agreement, written upon the back of the note: "Received from A $2,000 in full of the principal of the within note, and $12.33 interest thereon to this day. I have also surrendered the stock mentioned therein and received as collateral security for the remaining two notes of $1,000 each, two certificates of stock in the H Gas Company, calling for 81 shares, also a letter of attorney from S, in whose name said stock was issued, authorizing the transfer of same. Said stock and letter of attorney to be delivered to A, or his assignee, on payment of the notes mentioned." L, his brother Joseph, or H, never authorized or ratified this exchange of stock nor had the certificates for the 81 shares in his possession, and never knew of the exchange. If the 81 shares are not sufficient collateral to protect the holder of the two $1,000 notes, can H look to the 176 shares first deposited, and can he hold J responsible for wrongfully returning them? J. H. H.

Answer.—Yes. As J indorsed the notes without recourse, he was not liable upon them, and he had no authority from L to act for him in regard to them or the collateral. A knew, or by the exercise of reasonable care could have learned, that J had disposed of the notes. In substance and effect, he appointed J trustee to hold the stock for the benefit of the owner of the notes until they were paid, if the owner saw fit to ratify his acts, and for his own

benefit after the lien was terminated. H was no more responsible for the stock than he would have been for payments of money made by A to J on account of the notes. If the eighty-one shares are not sufficient collateral, he should exhaust them and then sue A and J jointly for the balance, and if possible to tie up the 176 shares pending the litigation, the court will allow him to do so.

NOTE PAYABLE AT PARTICULAR BANK.

Editor Bankers' Magazine: URBANA, Ohio, July 7, 1902.

SIR: A makes note payable when due at X bank. The day the note is due he has money deposited in X bank sufficient to cover it. The note is not presented for payment until three days later, when the bank has been declared insolvent, and is in the hands of examiners, awaiting the appointment of a Receiver. To whom must the holder of the note look for its payment? PAYEE.

Answer.—In an Iowa case, Lazier vs. Horan, 55 Iowa, 75, it was held that where a note was payable at a bank, and its maker, at maturity, deposited in the bank the amount of the note, to be applied to its payment when presented, but the note was not presented, and the bank afterwards failed, the facts constitute a complete defense to an action on the note. In the case the court deemed that no authority could be found, adjudicating the proposed determination. In later Iowa cases the court refused to extend the doctrine to notes payable at a place which was not strictly a bank. The general rule is that the fact that the maker or drawer of a note or bill has caused it to be payable at a particular bank does not constitute the bank the agent of the payee of the paper to receive the money. The payee chooses his own agent, and may send the item to the bank designated by it, or to any other, as he prefers. In Adam vs. Hackensack Imp. Commission, 44 N. J. L. 638, the Court said: "The naming of a bank in a promissory note as the place of payment does not make the banking association the agent for the collection of the note, or the receipt of the money. No power, authority, or agency is thereby conferred upon the banker in reference to the note, and the debtor cannot make the banker the agent of the holder by simply depositing with him the funds to pay it. Unless the banker has been made the agent of the holder by the indorsement of the paper or the deposit of it for collection, any money which the banker received to apply in payment of it will be deemed to have been done by him as the agent of the payee. We think the better opinion is that your remedy is by suit on the note.

BANK CHECK—FORGERY.

Editor Bankers' Magazine: AUGUSTA, Me., July 7, 1902.

SIR: J. W. C., owing a hotel company in this State for board the sum of $90, tendered it a check signed by H, payable to himself for the sum of $250, on the fifth day of May, and received in return $160 cash. J. W. C. stated at the time that H wanted him to hold said check until about the first of July before collecting same, and that he would like to have the hotel company hold it until that time. Without imparting any information as to this request, the hotel company indorsed said check to N, May 20, paying an account owing them of about $50, receiving the balance in money. N indorsed and delivered the check to F. B. & O. May 22, and F. B. & O. indorsed and deposited said check to their credit for collection in the P—— National Bank May 23. The P—— National Bank indorsed the same and forwarded it for collection to their correspondent in Boston, the C—— Bank, where it was received on the 26th day of May. On the same day it was presented through the clearing-house and M—— National Bank by the C—— Bank to the B—— Company, on whom it was drawn. The check was received, with others, by the B—— Company in due course of business, marked "paid," and charged to the account of H, he being a regular customer of said bank and having an ac-

count there. As a matter of fact, the check was a forgery, the signature thereto being a close imitation of the signature of H, and its character was not discovered by the B—— Company until May 29. It at once returned said check to the C—— Bank, demanding the return of the amount. The C—— Bank refused to return the amount, unless they received it from the P—— National Bank, from which bank they had received the check. The C—— Bank received the check from the B—— Company, and immediately forwarded it to the P—— National Bank, demanding a return of the amount. The P—— National Bank received it May 30 and returned it to F. B. & O. the same day, demanding the amount thereof of them. F. B. & O. returned the check to N, demanding the amount of him, which was then and there paid by N to the said F. B. & O. F. B. & O. at once returned the amount to the P—— National Bank, and they to the C—— Bank, where it was received and paid to the B—— Company and credited to H June 5. N offered to return the check to the hotel company and demanded the amount of it May 31, and the hotel company agreed to pay it, and did pay thereon the sum of $100, but subsequently refused to pay the balance. It is an admitted fact that the hotel company required no identification of J. W. C. or questioned his right or title to said check upon taking same. It seems that J. W. C. had secured checks of H before on his requesting them for purposes of making remittances. He had used them and blank checks stolen by him in committing the forgery. Cannot N recover the balance due on the check from the hotel company?

CLEARING-HOUSE.

Answer.—It seems not. A case very similar to this was decided in your State four or five years ago. There it was held in substance, that if a bank pay to an innocent holder for value, the amount of a check, purporting to be drawn on it by one of its depositors, but the signature of which was in fact forged, the bank cannot recover back the amount from such holder, and if such holder, on demand, repay the amount to the bank, that does not entitle him to recover the amount from an innocent holder for value, who had indorsed the check. There is no question but that under the decisions of your State the bank bound itself by its acceptance of the check, and at that time the hotel company was released from all liability. The fact that N afterward took up the check could create no fresh liability against the hotel company.

SURETY'S LIABILITY FOR INTEREST.

Editor Bankers' Magazine: LANCASTER, Pa., July 23, 1902.

SIR: D was appointed by the court of common pleas committee of a lunatic, and qualified, executing a bond to the commonwealth in the sum of $2,500, with S as surety, conditioned that "D, committee as aforesaid, shall well and faithfully execute said trust in all legal respects." In less than twelve months D was discharged upon his own petition, subject to an accounting to be made by him, and a trust company was appointed committee in his place. Subsequently D filed his account, and an auditor, to whom the account had been referred, filed his report, showing that D had not faithfully executed his trust, and that by reason thereof the estate of the lunatic had, as early as twelve months before, lost a sum much larger than the bond. The trust company at once made demand upon S for the amount of the bond with interest from the time the sum was lost. Prior to such demand, S had no notice, information, or knowledge of any default by D. Is the trust company entitled to recover the interest from the time of the breach of trust in behalf of its ward?

C. M. S.

Answer.—Yes, from D. It is not, however, entitled to recover interest from S only from the time it made demand upon him.

THE FINANCIAL CONDITION OF JAPAN: BY HODZUMI TANAKA.—This is a thorough review of Japanese finances, dealing with the various sources of public revenue in a painstaking manner. It is shown that the amount of the National income of Japan increased from 540,000,000 yen in 1877 to 750,000,000 yen in 1887, and 1,180,000,000 in 1897. A remarkable expansion of industrial enterprises has also taken place in the past ten years. The facts so fully and strikingly presented by Mr. Tanaka enable one to gain a clear idea of the progress of the Japanese Empire and its capacity for still further developing its resources.

"CAN PANICS BE PREVENTED?"

[An Address delivered by S. R. FLYNN, President of the National Live Stock Bank, Chicago, before the Annual Convention of the Minnesota Bankers' Association held at Crookston, Minn., June 24.]

Mr. President, Ladies and Gentlemen—The subject of this address being mentioned, it was suggested that I come to Crookston, appear in this hall, and when called upon, arise, make a respectful bow, ask the question, "Can panics be prevented?" answer emphatically "no," then sit down. A friend insisted seriously that the matter could not be better handled. I am half convinced he was right. Talk night and day for a thousand years, and all said might be condensed into a positive negative. But, of course, this is looking at the matter from a practical standpoint. Viewing the subject through the rose-colored glasses of the optimistic theorist, such summary disposition of a topic so rich in promise of debate seems shameful waste of opportunity. Indeed, so many great and good men, warranted sound, in a monetary sense, men who may be considered doctors of finance, men of national and even international reputation, have declared that panics can be prevented, it is rank presumption for one not of the elect to even discuss the question. Under such circumstances, to dismiss it with a curt "no" would be most ill-considered temerity. It may be well to take a middle ground, discuss the question in an humble sort of way, as one should who does not pretend to be a financier, but merely a novitiate in practical banking.

I fear I have had in mind some sarcastic references to the all knowing financial vagarists who with swelling sense of their great superiority, waive aside bankers and their views with "O, he is a mere money lender; what does he know about finance?" Little, perhaps. Yet he comforts himself with recollection of the day of his callow youth, studying natural philosophy; how certain he was that he had discovered perpetual motion. Who of us have not with our mind's eye, seen the wheel with projecting hinges, weighted at end, whizzing around, developing enormous horse power? And whose imagination has not developed the magnet wheel and so many other devices that solved the problem of perpetual motion? Attempt to put the creations of our imagination into practical operation proved our dreams idle. This recollection gives comfort to the obstinately skeptical banker who refuses to believe that any recently developed financier has discovered how to perpetuate good times. And to the men who affect to scorn the banker's views, the banker may reply, that he is quite well content to be merely a credit merchant, that he is beginning to regard the title "financier" much as the practical newspaper man does that of "journalist."

BANKERS QUALIFIED TO DISCUSS FINANCIAL SUBJECTS.

The paramount right of the practical banker to discuss financial subjects should not be questioned. With all possible respect for the financier on the other side of the counter, I say with utmost emphasis that he cannot be as qualified to consider and solve a monetary problem as the banker—the plane of intelligence of the two men being the same. This is self-evident.

The fact that bankers disagree by no means bars them from discussions vitally concerning their profession. Neither does the fact that some of us are ignorant. Physicians disagree, and there are ignorant physicians. Attorneys disagree, and

there are ignorant attorneys. Judges disagree, and there are ignorant judges. Merchants disagree, and there are ignorant merchants. Politicians disagree, and heaven knows there are ignorant politicians. Yet any of these professional or business men are better qualified to discuss the practice of their profession or business than a layman—always granting that the plane of intelligence of the men in the discussion is the same, or even nearly so. The layman might safely be allowed quite a little handicap. I may add to the comparison of disagreements and ignorances, that even our latter-day financiers disagree, and ignorance is found even in their ranks. Now, Wm. J. Bryan is a financier. From my standpoint a misguided one, though not an ignorant one. Charles Towne is another financier. Though he too, according to our light, is out of balance with common sense, no one would call him ignorant. I can imagine the financial pharisees in their aloofness scoffing at the thought that Bryan and Towne are of their brood. But they must acknowledge the fellowship, and draw on them heavily for arguments in support of the revived 100 per cent. fiatism with which they threaten to burden us. Bryan and Towne were, and may be still, fifty per cent. fiatists. Disagree with them as we may, it must be admitted that they handled their side of the case well. In fact, they employed all the sophistries that possibly could be used in support of fiatism. Indeed, so well have they covered the ground that their successors, formerly single-standard advocates, who now propose extreme wholesale 100 per cent. fiatism, cannot offer an argument in support of their proposition without plagiarizing Bryan or Towne. May the borrowed sophistries do the new fiatists much good and the people no harm, is our charitable wish.

Causes of Bank Panics.

The study of crises, of panics, of depressions, is interesting. It was my great privilege to observe the last panic from a point of vantage. I saw the bank side of the catastrophe, inside and outside. Being then occasionally addicted to thinking, I devoted some moments to improving the opportunity for observation and reflection. The causes of bank failures and bank panics were as an open book. As to whether a state of panic in other lines of business springs from similar causes, we can all take a guess. For myself, I guess they do.

In 1893 it was quite apparent that the causes producing bank failures and panics might be correctly stated in the following sequence:

1. Over-confidence. 2. Over-greed. 3. Over-speculation. 4. Over-production. 5. Over-loaning to pets. 6. Over loaning to officers and directors. 7. Over-loaning on bubble collateral. 8. Dishonesty. 9. Ignorance. 10. Unsound money basis. 11. Over-distrust. 12. Epidemic insanity.

It did not then occur to anyone having exact knowledge of the condition of the failed banks that they could have been saved by any of the panaceas now offered by doctors of finance as absolute cure-alls for ailments of the commercial body. I never heard any sane man assert that fiatism might have kept their doors open. On the contrary, everyone uttered a fervent "Thank God" that the notes of the banks were good beyond question.

Before considering panacea offerings, let us spend a moment with the National banks that have been placed in the hands of Receivers since the passage of the National Bank Act.

The last report of the Comptroller of the Currency states that "From April 15, 1865, to October 31, 1901, 404 National banks were placed in the hands of Receivers, the aggregate liabilities of which at dates of failure amounted to $184,868,844, on which claims were settled to the amount of $139,300,851, or 75.35 per cent."

Not a bad record. It is one strong argument in favor of asset currency. But if the failed banks had issued first-lien asset notes to the limit proposed, the deposi-

tors would have received only thirty-nine per cent.—the capital of the failed banks having been $67,287,420. In many instances the depositors would have received nothing.

However, for the present we are considering causes of failure. There have been, as I have said, 404 National banks placed in the hands of Receivers up to October 31, 1901. Sixteen of these banks were permitted to resume business, and in one case the Receiver was relieved from duty and the bank turned over to the shareholders to liquidate. The Comptroller's tables show cause of failure of 401 banks. The examiners or Receivers reporting these causes, to my certain knowledge, have in many instances been—to put it mildly—excessively polite. When I state that the Comptroller gives as the cause of the failures of the Livingston National Bank, Livingston, Mont., the Merchants' National Bank, Great Falls, Mont., and the First National Bank of Helena, Mont., "General stringency of the money market, shrinkage of values and imprudent methods of banking," my friends in Montana will know that the Comptroller's office has, in a few cases at least, been very polite indeed.

The records give causes of failures of the 401 banks as follows:

A.	Defalcation of officers	5
B.	Defalcation of officers and fraudulent management	22
C.	Defalcation of officers and excessive loans to others	1
D.	Defalcation of officers and depreciation of securities	2
E.	Depreciation of securities	15
F.	Excessive loans to others, injudicious banking and depreciation of securities	25
G.	Excessive loans to officers and directors and depreciation of securities	24
H.	Excessive loans to officers and directors and investments in real estate and mortgages	8
I.	Excessive loans to others and depreciation of securities	6
J.	Excessive loans to others and investments in real estate and mortgages	6
K.	Excessive loans and failure of large debtors	2
L.	Excessive loans to officers and directors	5
M.	Failure of large debtors	7
N.	Fraudulent management	13
O.	Fraudulent management, excessive loans to officers and directors and depreciation of securities	16
P.	Fraudulent management and depreciation of securities	12
Q.	Fraudulent management and injudicious banking	27
R.	Fraudulent management, defalcation of officers and depreciation of securities	8
S.	Fraudulent management, injudicious banking, investment in real estate and mortgages and depreciation of securities	8
T.	Fraudulent management, excessive loans to officers and directors and excessive loans to others	12
U.	Injudicious banking	20
V.	Injudicious banking and depreciation of securities	62
W.	Injudicious banking and failure of large debtors	17
X.	Investments in real estate and mortgages and depreciation of securities	14
Y.	General stringency of the money market, shrinkage in values and imprudent methods in banking	49
Z.	Wrecked by the Cashier	15
	Total	401

Personally I cannot see more than three causes of failures in the Comptroller's list. In fact, with the exception of some of the banks allowed to resume, two causes would be quite sufficient—dishonesty and ignorance. However, accepting bad judgment, failures of large debtors, depreciation of securities, real estate investments, as unavoidable causes, and that therefore "misfortune" may be considered another general cause, I would give the causes of failure of the 401 banks thus:

Dishonesty, 178; ignorance, 187; misfortune, 36.

I have treated, quite properly I think, the failures caused by "Over loans to officers and directors" as dishonest failures. My mind cannot differentiate between the thief who uses false entries to cover his peculations and the one who uses worthless paper.

Panics not Unmixed Evils.

The records of the Comptroller's office, in so far as they relate to the cause of failures, are quite sufficient to confuse the theorists who offer infallible preventives of failure. Few, if any, of the 401 National banks that failed during the period covered by the Comptroller's report were worth saving.

Honestly, intelligently conducted banks seldom become insolvent. They may halt in their operations; they may stop swapping credits; they may call loans to strengthen their reserves; they may seriously inconvenience borrowers, but they faithfully perform their highest duty, that of conserving the interests of their depositors. It may be an old-fashioned notion, but, to my mind, the interest of the depositor is paramount. The borrower and the shareholder are secondary considerations. The borrower who thinks he has a vested title to the credit of a bank, simply because he needs it, or even for reasons more sound, does not fully appreciate the high aim of a properly equipped bank officer. Neither does a shareholder who expects dividends whether earned or not.

Panics are not unmixed evils. Were it not for the fact that the best of banks are crippled by financial disturbances it might be said that they are necessary, indeed welcome, evils. They purify, clarify the banking atmosphere. They purge the banking system of deleterious matter. The fear of panics puts wholesome restraint on all bankers not provided with a hollow where the bump of caution ought to be. It is a serious question, what some over-ambitious bankers might do, if the impossible were achieved and fear of panic were removed. We know that some of our associates, not many, but some, even now, with conditions promising trouble, do not balk at any risk. In their insane desire for business they are ignoring all danger signals and rushing madly to destruction. If it were to save such bankers and their banks, or to delay their ruin for a day and for no other purpose, that panaceas are offered, we could with clear conscience refuse to accept the nostrums. The sooner such institutions fail, the better—better for the public—better for the banking business. Every safe banker knows the effect such a bank has upon the community in which it is located. The conservative banker restricts his credits, strengthens his reserve and prepares for the inevitable failure of his wild-cat brother. The injudicious banker, noting the apparently increasing business of his wild-cat rival, is tempted to adopt similar methods, and falling, fails with him.

No! let them die, if you cannot prevent their organization. In any event let no law be enacted that will increase the number of such banks or lengthen the life of those operating a single day.

So few National banks have failed that could or should have been saved there is nothing in the failure record calling for legislative action except it be to provide ways and means to hasten such failures; but it is the effect on the good banks, some of which are forced to close their doors temporarily, and upon the general public, that prompts serious consideration of suggested remedies.

It is well then that effort is being made at this time to soften the effect of panics. In time of prosperity prepare for panics. The business public welcomes all comers to the arena of discussion. The bankers give willing ear to every suggestion from whatever source. All the practical business man or practical banker asks, is that no theory be given force of law until experience has moulded it for practical use.

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Asset Currency and Branch Banking.

The cure-alls presented that have most respectable endorsement are asset currency and branch banking. Some of the brightest minds in the country, practical men of broad experience, as well as mere theorists, recommend one or the other of both of these as panic-destroyers.

Asset currency is most stoutly championed. About all of the unestablished authorities on finance, some of the established authorities, and perhaps ten per cent. of the practical bankers, advocate fiat bank notes in one form or another as a sure cure for panics.

It has been supposed that the best excuse for asset currency, given by its advocates was its alleged "responsively elastic" character. It has been asserted that a true asset currency would respond automatically to the needs of commerce; that it would increase or decrease in volume with increase or decrease of demand for actual money needed in cash transactions; in the hour of lost confidence it would swell to the rescue and avert disaster. This is not misstating the claims of asset currency champions, is it? Yet in all legislation seriously supported, legislation supposed to present in practical form their theoretical suggestions, there is not a line providing for an elastic currency.

It is difficult, therefore, to reconcile the promises and proposed performances of the asset currency forces. It is difficult to meet them in debate. They appear to be as elusive as the Frenchman's flea.

They promised us a currency absolutely safe and perfectly elastic. They resented with much heat any attempt to question their power to provide an asset currency having both these very desirable attributes. They ridiculed the axiom, the nearer to perfect safety, the farther from perfect elasticity.

Now in performance of their promises they offer us a measure providing for an absolutely safe asset note; but where is the promised elasticity?

The Fowler Banking and Currency Bill.

The bill providing for asset currency, branch banking, clearing-houses, redemption of greenbacks, known as the Fowler bill (H. R. 18363) introduced at this session of Congress and reported favorably by the House Committee on Banking and Currency, seems to meet with great favor in asset currency circles. The committee and Mr. Fowler seem fully convinced that this measure is the only true remedy for panics.

One of its announced purposes is: "To provide for a system of paper currency which is absolutely sound, uniform, *responsive*, *always adequate* and *perfectly adjusted* to our trade everywhere and under all conditions."

Had the writer of that paragraph read the bill? Is it not possible that this prospectus was written before the bill?

The soundness and uniformity of the proposed currency cannot be questioned, but where is the responsiveness, the adequateness and the adjustability under all conditions?

It is not my intention to bore you with an analysis of this bill. You have all received a copy of it together with a copy of the report of the committee. You are doubtless throughly conversant with its provisions. Without doubt you know what effect it would have upon the currency of the country. I do not, therefore, state my conclusion on this point for your information, but in the hope that those who father this measure may be induced to think a little longer before attempting to force its passage through Congress.

This bill provides for a possible contraction of the currency amounting to $175,-000,000, and a practically certain contraction of $82,000,000, the first year after its

passage. This is, of course, assuming that all National banks carry out its provisions as the framers of this bill evidently expect. If any one doubts this conclusion I wish he would take the "Statement of the public debt for May, 1902," and the "Abstract of reports of condition of National banks on April 30, 1902," and using the figures given in the official circulars as a basis, carry out on paper the provisions of this bill.

After this reduction is offset by the additional asset currency the banks would be permitted to issue, there would be a gradual expansion of the currency until the expiration of seven years from date of enactment when the aggregate of asset currency would equal the fixed limit, 100 per cent. of the capital of all the National banks. What then?

The Lovering bill introduced during the last session and again this, is the least objectionable of the proposed asset currency laws. Its provisions are also well known to you. It contains no threat of possible contraction, but provides for gradual expansion for six years when the limit—four-fifths of the face value of the circulation bonds, the total issue not to exceed forty per cent. of the capital of the National banks—will have been reached. Again I ask, what then?

Asset currency advocates hope, or say they do, that the United States bonds will be retired as they mature, and therefore there will soon be no basis for circulation. The National banks have $316,000,000 bonds deposited with the United States Treasurer to secure circulation. And these are practically all 2's which do not mature until 1930. The law of March 14, 1900, authorizes the banks to take out bond-secured circulation to the amount of their unimpaired capital. This permits a present increase of circulation amounting to $361,000,000. "But," says the asset currency advocate, "there are only $445,000,000 of the 1930 bonds." True, but the advocates of bond circulation did not suspend the refunding provision of the Act of March 14, 1900. No, it was a Secretary of the Treasury who is a pronounced advocate of asset currency.

Restore the refunding provision of this law and there would be nearly $500,000,000 additional bonds available for circulation purposes. Again the asset circulation forces object. "We should provide a currency system that would answer our needs for all time," they assert. They express the fear and hope that all the Government debt will be paid at maturity, and therefore on April 1, 1930, we will be left without a basis for circulation. They are concerned as to what may possibly happen in 1930, and yet they offer us laws providing for an asset currency that will reach its full limit of expansion at the expiration of seven years if the Fowler bill becomes a law, and at the close of six years if the Lovering bill becomes an act of Congress.

Does any financier claim that either of these measures would prevent the next panic or even minimize its hurtful effect?

It would be an act of kindness to tell us how, if they do make such a claim.

Surely a currency expanding yearly at a fixed percentage of capital and reaching the full limit of expansion in six or seven years would give no measure of relief were we confronted by conditions promising panic before or after the limit had been reached.

If we need asset currency, and if it is as good as they claim, if it will do all the things they claim, why do they offer these half-baked measures? They talk fiatism, though they do not call it so, yet when they come to action, where is the courage of their convictions? If asset-secured bank notes are as good as Government bond notes, and if the volume of asset currency would respond automatically to commercial needs, why interfere with this natural process by fixing a legal limit?

They state as if it were an axiom that "Asset notes as a bank liability differ in form only from individual deposits." Why then limit their issue by legislation, or

if this must be done, and if they do not differ from deposits, why is it not equally necessary to limit deposits?

Is it possible their arguments have not even convinced themselves?

The only excuse for an asset currency is to provide absolute elasticity. You cannot have an absolutely responsive, perfectly elastic asset currency, unless the bank itself controls the issue. The aggregate of a responsive, elastic currency must be regulated by the needs of the different communities or sections. Of necessity, the banker is the best judge of the needs of his community or section. Therefore, he should fix the limit. It certainly cannot be fixed at Washington—it cannot be fixed by legislation.

If the claims of asset currency advocates are well founded there is no reason for fixing any limit other than that prescribed for deposits—the ability to maintain fifteen or twenty-five per cent. reserve for the aggregate.

The fact is, they themselves would not dare put their fiat theories into practice.

I do not fear successful contradiction when I declare that our independent banking system absolutely precludes the possibility of an asset currency combining safety, elasticity, responsiveness, adequateness, adjustability. It will be impossible to establish a level percentage of issue that will fully supply the needs of all communities suffering from lack of cash, and at the same time prevent over-redundancy in the sections already abundantly well supplied with cash. You cannot equitably distribute currency on a horizontal basis in a country where needs and conditions differ so widely.

If the advocates of asset currency think this is a wild statement, let them offer a measure providing for an asset-note issue combining these essentials. They haven't done it yet.

Evolution of Our Banking System.

Another suggested remedy for panics is branch banking. I sincerely believe that this is the true system of banking, and while I do not believe it will prevent panics in this country of ours, yet I do believe it will greatly modify their severity. Do not imagine from this that I favor legislative confiscation of vested rights. No; to my thinking, branch banking legislation, such as offered in the Fowler bill, would be an outrage. There is a process of evolution, however, now going on in the banking business tending toward branch banking. You have branch banking in this State. There is hardly a great bank in the country that does not in one way or another at this time have community of interest with, or actual control of, other institutions. I am heartily in sympathy with this process of evolution. It will, I believe, in good time, result in a system of branch banks. It is my certain conviction that when the hour comes for legislative action, authorization of branch banking will not be necessary—the legislation required will be mere sanction of a branch banking system already in operation.

The tendency of some of our leading men to scoff at our independent banking system, which they are pleased to call no system at all, is painful to those who realize what factors these independent banks have been in the upbuilding of this great country. I am one of the unenlightened many who think the same degree of development could not have been achieved in so brief a period with any other system of banking. Each bank has been vitally interested in the growth of its own community, its very life depending upon the prosperity of that particular community. All money, all credit, all time, all effort were devoted to the advancement of that community. It was not as it would have been under a branch banking system, the central managers having no direct personal interest in any particular locality, but merely thinking of its value to the system, or more likely, to the parent institution.

Any system of branch banking established to provide feeders for a hungry parent

cannot now succeed in this country. The people know what important factors the independent banks have been in the upbuilding of their various sections, and will tolerate any proposition looking to the establishment of any system that will in the slightest degree diminish local banking facilities. Any of us might well be content to run an independent local bank in competition with a feeder branch. The branch would not furnish much feed for its voracious parent.

The branch banking system, in whatever form it comes to us, must now offer some advantages over the independent system. We know what the independent system has done. Can the branch system do more? I think it can, and I know it must, or it will have short space in our banking history. A properly conducted branch system can be safely operated with minimum reserves, thereby permitting maximum loans. In times of peril, instead of each independent bank, whether threatened or not, collecting all loans possible, withdrawing balances from reserve cities, and in many other ways increasing the severity of the panic, it would be necessary only to protect the point of attack, if there were any. If there were no other reason for the establishment of some sort of community of interest between banks than this last, it alone would suffice.

We will never have a great central bank in this country. The common sense of our people is against it. There is no bank in existence to-day that would be accepted as a bank of the Government, a bank of the banks. Neither is there any group of men who would be acceptable as the organizers of a bank of the Government, a bank of the banks. It is a waste of good time and good breath to discuss such a proposition. Neither will 250 banks ever control the banking business of this country. The present process of evolution in the direction of branch banking will have no such result.

It is my opinion that branch banking will continue to develop along present lines. In different sections, fifteen, twenty, fifty, or perhaps even a hundred banks, will group themselves under affiliated ownership. Nothing more is needed. This will give all necessary strength if the influences dominating the different groups are wise. This saving clause must be interjected, though it should be always understood, that all business success invariably depends upon honest, capable management.

We may be assured, however, that legislative action on branch banking or asset currency is very remote. Political financiers will play with both propositions for many years before serious action is taken. As I have said, branch banking will be in full operation when legislative sanction is given, and in my opinion, then, and not until then, asset currency may be given serious consideration.

The practical banker knows that conditions in this country do not admit of the introduction of asset currency at this time. He knows that some form of branch banking must first be established. The practical banker is quite well aware that principles and methods may be applied to all conditions, if one is foolish enough to disregard conditions, but he knows more than this: he knows that the same principles and methods do not produce the same results under all conditions.

The weakness of the theoretical arguments of theoretical financiers is in this very disregard of conditions. They produce tables giving what they are pleased to call facts and figures and defy us to dispute them, for figures do not lie. But figuring theorists misrepresent, not intentionally, but because of the sequence of their reasoning. They reach a conclusion before they start to reason. Having begun at the end they seek the beginning for statistics that will support the conclusion already reached. Did anyone ever have an economic or financial theory so weirdly, wildly nonsensical that he could not find figures to support it? It may require a little transposition, it usually necessitates a disregard of conditions, but figures can be twisted to serve any purpose. Statistics are of no value whatever unless they are considered in connection with the conditions that produce them.

No Human Agency can Prevent Panics.

I have no intention to ascribe panics to the will of God; yet I may say without hesitation, that panics cannot be prevented by human legislation. Legislation cannot remove or even reach the great first cause of all financial and business diasters—over-confidence. All other causes I have given, all other causes that others give, are not causes, they are effects or aggravations. It is the fashion to attribute financial crises and panics to bad banking or bad monetary laws. Bad banking and bad financial laws aggravate crises, intensify panics and prolong periods of depression, but they do not cause panics. I do not intend to go into the causes and history of all the financial troubles of this and other countries. It suffices to say that they invariably follow periods of over-confidence. Whenever there have been great progressive impulses in this country, or in any country, even those countries with banking and currency systems having the high approval of our financiers, there have been sharp reactions. And so it will ever be. In the years of over-confidence prices set a pace too fast for legitimate growth and soon leave development far to the rear. There can be but one result. There comes a time when market prices and actual values must get closer together, and when that time comes the necessary process of readjustment hurts. Then comes the crisis, the panic, the depression—one or the other or all three in the order given. You cannot name a country that has enjoyed any great commercial development that has not had its panics, its crises, its periods of depression. And there never will be such a country, no matter what banking or currency scheme may be in use.

A few days ago Chicago celebrated its sixtieth birthday. Any other nation, any other people, would take six hundred years to develop such a city.

The Country's Prosperity and Increased Supply of Money.

Our nation is only 186 years old, and we dominate the world in all things but art, and we will excel the Old World in that, too, as soon as we can spare the time for practice.

The money in circulation in this country has increased in volume about fifty per cent. since 1896. Then we had in banks and in the pockets of the people $1,506,-434,961. On May 1 last, we had $2,260,750,242. Gold had increased $182,527,888; gold certificates, $261,076,370; silver dollars, $17,286,426; silver certificates, $118,-466,313; subsidiary silver, $22,650,148; United States notes, $113,858,246; and National bank notes, $132,836,559. There has been a decrease in Treasury notes of 1890, brought about by the act of March, 1900, of $62,496,674. There were $31,890,-000 currency certificates, which have been retired. The grand total cash increase is $754,315,281. In credit circulation the increase can be measured by billions only. The per capita during this period has swelled from $21.41 to $28.66. I might go on all day giving figures showing how great our growth has been during the last six years. It has been but a little while since the nations could not see us, we were so far behind in the world contest for commercial supremacy; now they are hidden in our dust. We cannot indulge in such great spurts without occasionally stopping for rest and repairs. For myself, give me prosperity and panics rather than stagnation and commercial quiet.

I remember very well my first appearance before this association. It was while we were still nursing the wounds of '93. I then compared the condition preceding that year of disaster to a wild drunken orgie.

Are not some of our friends beginning to feel their liquor again?

In the years preceding that panic, over-confidence took the form of blind faith in the future of real estate. Now speculative stock bubbles, blown from suds made with borrowed soap, claim the devotion of those who cannot see that we are fast approaching a most excellent place to stop for rest and repairs.

No one can tell what will be the character of our next panic. Conditions have greatly changed. Before 1893 we had over-production to aggravate our troubles. Now production can be controlled by the great combinations that have centralized the managements of all the producing agencies.

Before 1893 the banking business was menaced from within by ignorance and venality. The average of intelligence and honesty was never so high in the history of banking as it is to-day.

Before 1893 the men who controlled many of the great transportation lines were wreckers. To-day, practically without exception, the railroads are in the hands of builders. In fact, all the great captains of industry are builders, not destroyers.

Before 1893 we had doubt of our monetary base as another aggravation of our trouble. To-day, though the act of March, 1900, is not a full fledged gold measure, no one doubts the purpose and ability of the Government to pay its obligations in gold. No political party that threatens to pay an inferior coin will ever handle the reins of government.

These are favorable changes.

The unfavorable changes are the vast over-capitalization of industrial enterprises and the indiscriminate purchasing of commercial paper. And these results of over-confidence will precipitate our next crisis, perhaps resulting in panic and followed by some years of depressing liquidation.

The pledging of securities the market values of which depend almost wholly upon the ability of the pledgee to maintain the market values, portends evil. Placing no limit upon the lines of borrowers other than the ability of the brokers to place their paper, promises a day of reckoning. There is too much water in the stock market, too free loaning of credit in the paper market, and too much confidence in both.

There has been nothing suggested that will prevent our tasting the bitter fruit present stock and loan market methods will produce. Continuing to swap credits will not do it. Every practical banker knows that in ninety-nine cases out of a hundred where he has attempted to save a bad loan by continuing to swap credits he has found it would have been far better to have accepted his first loss. Every practical banker knows it is most unsafe to let the average borrower decide how much should be loaned to him. Every practical banker knows that more borrowers have been ruined by too much credit than too little credit.

A Simple Measure of Protection.

If you would adopt the simplest measure of protection, form yourselves into groups on the clearing-house plan for mutual support in time of trouble; let the Government restore the refunding provisions of the act of March 14, 1900, and I am immoral enough to suggest that a National bank be allowed to treat the bills of *other* National banks as part of its reserve. The present National bank note is the soundest piece of credit money in circulation. It is a first lien upon the assets of the bank issuing it. It is a first lien upon the tax-paying power of all the people. It is redeemable by the banks in legal tender, and legal-tender notes by the act of March 14, 1900, have become to all intents and purposes, gold certificates.

Some of us sincerely believe that voluntary affiliation of banks for mutual support and protection in time of peril, and governmental action making it possible and desirable to carry out the currency provisions of the act of March 14, 1900, will be of more service to the banks and the people than any scheme suggested by the financiers. A six per cent. emergency circulation will not do. No bank would dare advertise its weakness by taking out such circulation. Besides, the place of issue is too remote from a large part of our country to quickly supply the needs of every section. New York and the East would have a distinct advantage over Chicago and

the West. It will prove a much more effective means of protection for the banks all over this country to form themselves into clearing-house groups, and in time of trouble, save themselves in the same way the New York banks did in '93.

But, neither this, nor asset currency, nor branch banking, nor swapping of credits, will save us from the reaction that must follow our abnormally speedy prosperity spurts. Panics are, after all, subjects for the psychologist rather than the financier. The epidemic insanity which so intensifies commercial crises and produces a state of panic, is of a kin with death-dealing, property-destroying strikes, or mind-destroying religious crazes. You must change human nature if you would eliminate these disturbing factors, and human legislation can no more easily change human nature by decree, than it can make fifty cents a dollar. Individual and concerted effort of our people, with the aid of God, can alone accomplish this, and He has placed us here to work out our own salvation.

(NOTE.—After this speech was delivered, the bankers attending the convention visited Winnipeg. They learned that asset currency and branch banking have not equalized the money rate. The bankers of Canada charge a rate of interest corresponding to the risk, just as we do. They would no more charge the same fire insurance premium on a fire trap and an absolutely fireproof building, than we would. It was also learned that asset currency in Canada has not been of service in an emergency. On the contrary, it has proved an additional menace in time of trouble—demand for redemption being coupled with demand for payment of deposits.)

SCHOOL SAVINGS BANKS.—Through the courtesy of J. H. Thiry, of Long Island City, N. Y., THE BANKERS' MAGAZINE has received the "Seventeenth Anniversary of the Introduction of the System of School Savings Banks in the United States."

The school Savings bank system is now in practice in 1,479 schools of 118 cities of twenty-four States in America, and the pupils of those schools have saved $1,309,-611, of which $869,878.49 have been withdrawn, leaving a balance of $439,731.62 due depositors to January 1, 1902.

Mr. Thiry's labors in inculcating principles of thrift among the children of the country are deserving of the highest praise. He has shown great industry, perseverance and ability, and his work has produced results of great value.

THE AMERICAN BANKERS' CONVENTION.—This year's convention of the American Bankers' Association will be held at New Orleans, November 11, 12 and 13. In recent years the South has entertained the convention a number of times, the honor being shared by Baltimore, Atlanta, Richmond, St. Louis, and this year at New Orleans. There are doubtless many bankers, in the North and West especially, who have never visited New Orleans, and the holding of the convention in that city will afford an opportunity of which numbers of them will gladly take advantage.

A strong effort will be made to take next year's convention to Seattle, and it is presumed St. Louis will be favored by many for the 1904 meeting.

New Counterfeits.—Twenty-dollar gold certificate; check letter, A; plate number, 51; act of July 12, 1882; J. W. Lyons, register; Ellis H. Roberts, treasurer; portrait of Garfield; and $5 silver certificate; check letter, A; series of 1899; J. W. Lyons, register; Ellis H. Roberts, treasurer; portrait of "Onepapa."

These counterfeits are crudely executed photographs with coloring applied to seals, numerals and backs in such a bungling manner as to make impossible their extensive circulation. The makers of these counterfeits have been arrested and a large number of the notes captured.

*THE PRACTICAL WORK OF A BANK.

BOOKKEEPING FOR CITY AND COUNTRY BANKS.

VI.

The Bookkeeping of a Savings Bank.

In describing the methods of accounting in use in a Savings bank, I propose to confine myself to Savings banks of the original type; such, I mean, as are strictly mutual concerns and which have no stockholders other than the depositors. Of this character are all the older and the great majority of the larger institutions in the country. A new type of Savings bank has come into existence within the past fifteen or twenty years, of which examples are to be found almost exclusively in the West and South. This is the stock Savings bank, in which the earnings over and above the usual interest, instead of being accumulated for the benefit of the depositors, are paid out to stockholders in the form of dividends. In institutions of this class the bookkeeping, though in the main like that of the old-line banks, yet is subject to certain modifications.

Kinds of Books Used in a Savings Bank.

There are two sets of books in a Savings bank, a depositors' set and a general set. I shall first describe the former, viz., those books in which are recorded the transactions between the bank and its depositors.

The Depositors' Set.

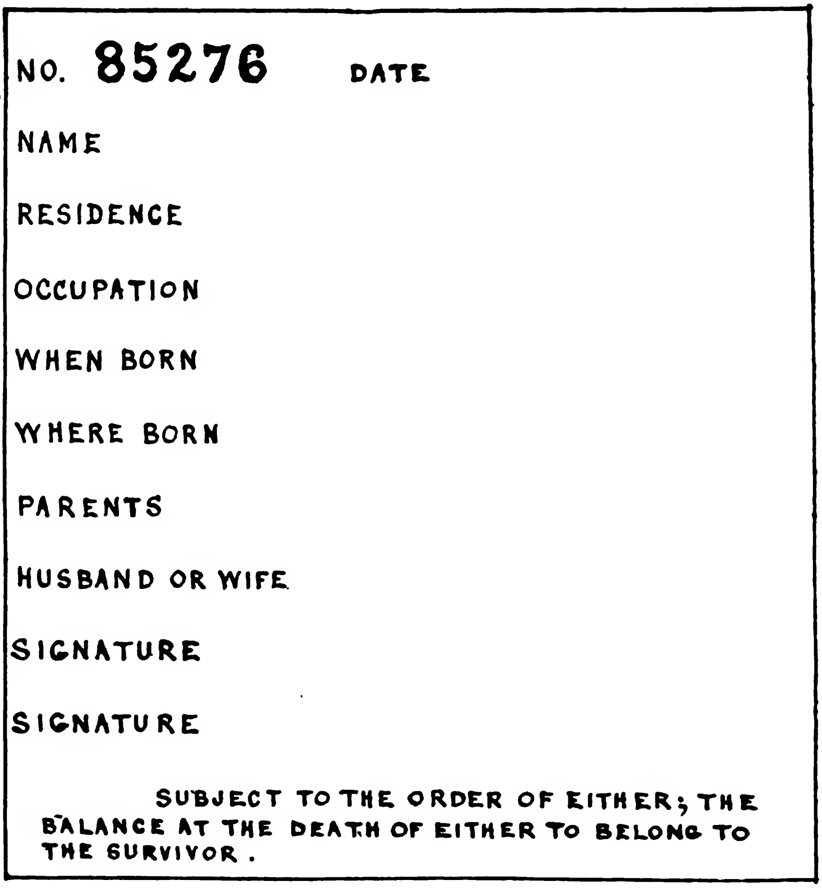
Let us suppose that John Smith has in his possession the sum of five dollars which, contrary to the usual desire of mankind, he is anxious to part with. He goes to a Savings bank and, having made known his desire to become a depositor, is directed to a window over which is a sign which reads "New Accounts." Here he is met by a clerk, who produces a card like that shown on the following page.

This card is filled out by the clerk, except, of course, the two lines before which stands the word signature, on the first of which John Smith writes his name, the other being intended for the signature of a second person, in case an account is opened in two names. The points of information thus obtained concerning the depositor form, it would seem, a sufficient test of his identity. Some banks also take the color of the eye, as being, perhaps, the one bodily characteristic which is unchangeable. Some banks, too, bring into requisition the photographer's art, taking a snap-shot picture of the depositor on the occasion of his first deposit.

The clerk now produces a pass book stamped with the same number as that on the card, and having received Mr. Smith's deposit and given him credit for the same, hands him the book. This transaction is recorded in what is called the book of first deposits, the entry consisting of the number of the account, the depositor's name, and the amount of his deposit.

Let us suppose now that some time afterward Smith makes a second deposit. The amount deposited is written in his pass book and an entry similar to the one

* A series of articles to be published in competition for prizes aggregating $1,050, offered by The Bankers' Magazine. Publication of these articles was begun in the July, 1901, number, page 18.



NO. 85276 DATE

NAME

RESIDENCE

OCCUPATION

WHEN BORN

WHERE BORN

PARENTS

HUSBAND OR WIFE

SIGNATURE

SIGNATURE

SUBJECT TO THE ORDER OF EITHER; THE BALANCE AT THE DEATH OF EITHER TO BELONG TO THE SURVIVOR.

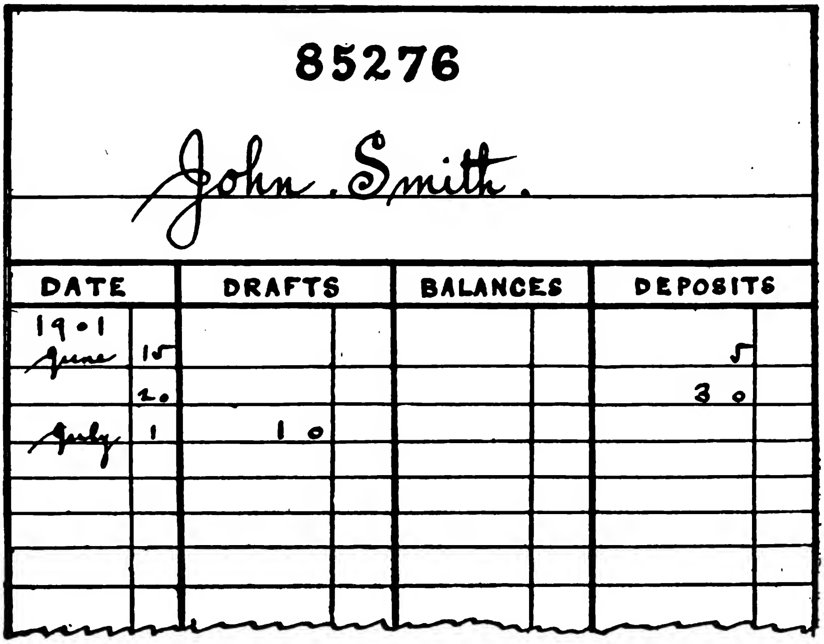
FIG. 1.

made when he opened his account is made in the so-called credit book. In case Smith makes a withdrawal, the amount is charged on his pass book and the transaction recorded in the debit book.

These three books, the book of first deposits, the credit book and the debit book, are thus the books of original entry; and, taken together, serve the purpose of both day and cash book. The first deposits contain only entries of the initial deposits on accounts, and becomes therefore a record, in chronological order, of all pass books issued by the bank. All subsequent deposits are entered in the credit book; withdrawals, in the debit book. From these books the ledgers are posted. The ledger is the principal book of the depositors' set, and to it is confined the work of the bookkeeper proper. Whatever other books he may make use of are auxiliary to the ledger, and serve only the purpose of explanation or verification.

The regular size of a depositors' ledger is about 15 x 20 inches. The number of spaces for accounts per page varies from four to ten, according to the predilections of the bank; and the total number of spaces in a ledger ranges from three to seven thousand. My own experience has led me to the conclusion that a ledger with six spaces per page and about four thousand altogether is the most practical form. The

ruling for an account is essentially the same in nearly all Savings banks. There are four columns, respectively for the date, withdrawals, balances, deposits. Here is a form of ruling at once simple and answering all requirements, together with a few sample entries:


85276

John Smith.

DATE		DRAFTS		BALANCES		DEPOSITS	
1901							
June	15					5	
	20					30	
July	1	10					

FIG. 2.

As will be noticed, there are in this form no spaces for writing "to cash" and "by cash," for these phrases are now commonly discarded in posting. By some banks, however, they are still retained, which is greatly to be wondered at, as they serve no purpose and the labor of writing them is, in the aggregate, quite considerable. After all, simplicity is a chief mark of good bookkeeping—simplicity combined, of course, with system and with the requisite fullness. Books were made for man, and not man for books; and that bookkeeper does his work best whose books, while rigorously stript of non-essentials, yet tell their own story intelligibly and directly.

The form of ruling given above needs no explanation except as to the column headed balances. In many banks the balance remaining to a depositor's credit is written in this column after every deposit or withdrawal; in others the balance is entered only once or twice a year, at the time or times when a trial balance is taken off the ledgers.

METHODS OF POSTING.

Now as to posting. The system of posting which is in use in our bank has two features which, in my opinion, are vital in insuring accuracy, besides being valuable as labor-savers First, the accounts are divided into sections, each section being independent of the rest. Secondly, the process of verification is different from the process verified. But before proceeding I must speak of a book which we use in connection with the work of posting. It is known as the proof book. This book has a page set apart for each one of the sections into which the accounts are divided.

The method of division is arbitrary, as far as the sizes of the sections are concerned. But for the sake of convenience, it is sought to have the various sections contain approximately the same number of accounts. Thus, as the living accounts, relatively to the total number of accounts opened, grow fewer and fewer the farther backward we go to the earliest account opened, we place in our first section the first ten thousand numbers; in the second, the next eight thousand; and so on, in a decreasing ratio.

To illustrate. Let us suppose that the bookkeeper is ready to begin his day's posting. Before him on one side lie his ledgers; on the other, the proof book. Beginning with the moneys deposited, the bookkeeper turns to the credit book and posts first all items for accounts in section number one, thus: He makes an entry in the proper ledger and in the proper place, and then makes a duplicate entry of the amount on the page of the proof book headed accounts 1—9999. Item after item is thus posted in the ledger and at once entered in the proof book, until all items for accounts in the first section are disposed of. The second section is disposed of in similar fashion, the second page of the proof book being used; then the third section, and so on, until all of the day's credits have been posted. Then he foots the pages of items in the proof book, and if the total corresponds with the total on the credit book, the work may be assumed to be correct as to two particulars: (1) that the amounts have in each case been correctly posted; (2) that the postings have been entered on the proper side of the ledger. It is true that if an amount has been posted to the wrong account, the present system affords no means for detecting the error. But to guard against this contingency, the postings are called back by another clerk and checked by the bookkeeper.

To one who is not familiar with the proof system of posting it may be difficult to grasp the truth of what I have said in its favor. Why should the fact that the footing of the proof book corresponds with that of the credit book justify one in assuming that the postings are correct as to amounts and as to ledger column? Yet there is a philosophy in the system; to enter into the why and the wherefore of which would doubtless prove interesting to the reader of a speculative turn, but would consume too much space. In brief, and not to generalize, practical experience in the system has proved: that, in obedience to a certain mental process, the hand almost instinctively writes in the proof book a duplicate of the ledger entry. Whether the ledger entry was correct or not is discovered when the proof book has been footed.

The method of procedure for posting from the debit book is the same as that for posting from the credit book.

The only purpose of the proof system is not, however, to insure accuracy in posting. For, as has been shown, it does not subserve this purpose as to all points, but must be supplemented by the calling back and checking process. The value of the system is appreciated chiefly at the time when the annual or semi-annual trial balance is taken off. At this season, which is truly the bookkeeper's "winter of discontent"—for then also is commonly the time for computing interest—how that gentleman thanks the gods that his accounts are separated into sections, and how he silently blesses the memory of the genius whose fertile brain evolved the scheme, nor recks the little extra labor which it has entailed upon him during the year! The grand total of each section in the trial balance must of course be equal to the grand total of the corresponding section in the proof book. If, therefore, there is an error in the trial balance, the area of search will be confined to that section of accounts within which the error occurred; whereas, without the aid of the proof book, the work of the entire six months or year would have to be gone over a second time, perhaps oftener.

For taking off trial balances, we use a specially made book, with rulings as follows:

TRIAL BALANCE DATE

NO. OF ACC'T.	BALANCE		INTEREST		TOTAL BALANCE	

FIG. 3.

The width of the book is sufficient to admit of three such forms per page. The number of the account and the balance are called off from the ledger by one clerk and entered in the balance book by another, in the first and second columns respectively. When the first section of accounts has been entered, the amounts are footed and the total verified by the proof book. The remaining sections are taken off and verified in like manner. Then the interest is computed on accounts and entered in the ledger in red ink, in the column of deposits. Next, these items of interest are called off and the total balance at once written in the ledger in red ink, in the column of balances. The receiving clerk enters the interest in the balance book, in the proper column, and independently finds the total balance; which he then enters in the last column of his book, at the same time, for the purpose of verification, calling back the amount. The grand total of the total balance column represents the aggregate balance on the ledgers; and the total balance of each section represents the figures for that section and is entered on the proper page of the proof book, as the basis for the work of the succeeding year or period.

It should be said that in quite a number of Savings banks, particularly among the larger ones, no trial balances are taken off. But where such is the case, it is nearly always the rule to compare every pass book with the ledger every time that it comes to the bank. By this means, most of the clerical errors committed are doubtless detected, sooner or later, but not all. The chief reason given by these banks for not taking off trial balances is the time and labor required. But it would seem that the method which they substitute requires at least as much time and labor, if not more. Certainly it is roundabout and cumbersome, besides being wanting in the scientific accuracy which is to be had only through the instrumentality of the trial balance.

To come back to the subject of ledgers, it will not be considered out of place in this article to say something of an "improved" ledger which first came into use about half a dozen years ago. I refer to the loose leaf ledger. What this ledger is, I need not explain, as most persons interested in accounts will at least have heard of it and seen illustrations of it in advertisements. As to whether or not it is in reality an improvement on the old form, on this point bookkeepers are not consentient. Probably the new ledger has not been in use long enough to warrant a satisfactory judgment of its relative merit.

No doubt the loose leaf ledger offers a number of points in its favor, but like most things in this imperfect world of ours, it has also certain drawbacks. Its

advantages—I write from the Savings bank standpoint—resolve themselves into two. First, it contains only living accounts, closed accounts being at once taken out, and thus time is saved in looking for any particular account. Secondly, it does away with the transferring of the surviving accounts of old ledgers into new ledgers. As to the first advantage, it is doubtful if the saving of time is very noticeable. The loose-leaf ledger, by its nature, can have but one account on a page, whereas the ordinary ledger has six or more; and there is hardly much difference in the time that it takes to turn a page in the one case and, in the other, to run the eye over the numbers of a whole page of accounts. Nor is the second advantage so considerable as it may seem. Out of a hundred Savings bank accounts opened, perhaps not more than seventy-five remain alive to the end of the first year; and by the end of the third year, not more than fifty. But after this period the process of decimation goes on very much more slowly, at the rate of about two accounts per year. So that, when the accounts of a ledger have been once transferred, they need not be transferred again for a good many years.

On the other hand, the new ledger is not a thing of beauty, as far as looks go; for in appearance it is very much like a cube cut in two. But looks are not so important in business. Because of its shape, however, the ledger is inconvenient to handle and to write in. It contains far fewer accounts than the regulation ledger, and therefore three or four times the number of volumes is necessary, and considerably more desk room for their accommodation. Then there is a danger that a page be taken out and mislaid or inserted in the wrong place. There is danger too, where a bookkeeper is disposed to be dishonest, of a manipulation of accounts.

The loose-leaf ledger has found its way into the counting rooms of quite a number of business houses. It is being extensively advertised and, it must be said, has been brought to a state as nearly perfect as it seems to be capable of. In Savings banks, however, there seems to be hardly any disposition to bring it into use. Two years ago I visited nearly all the larger Savings banks in the city of New York, and found that without exception they all still used the old style of ledger. Nor was there even a prospect that the new ledger would gain admission to any of them, except one bank, of which the officials were then considering the advisability of making a change.

The General Set.

In the general set of books of a Savings bank are a day book, cash book, journal and ledger; which, *mutatis mutandis*, are like the corresponding books of any other corporation, so that I need say nothing concerning the method of keeping them. The books of this set have to do with the disposal of the moneys received from the bank's depositors. In them is kept a record of all investments made, as mortgage loans, demand loans, and stock and bond purchases; and of the expenses of running the bank. Besides the books mentioned, there are certain other books, of which the stock and bond record is one. A practical form of ruling for this book is herewith appended.

The actual size of this form is 12½ x 7½ inches, and the book may be made to contain either one or two forms per page. A form is set apart for each variety of bond or stock owned, and the interest or dividend is charged and credited annually or semi-annually, as the case may be.

Then there is the book of demand loans. In this is kept an account of all moneys loaned on call. A space is allowed for every borrower, and full information concerning the loan written in. The securities pledged for the repayment of loans are specified and described with the same detail as are the bank's own securities. As in the stock and bond record, so in this book columns are ruled for crediting payments on account and for charging and crediting interest.

Next comes the mortgage ledger. This book serves as a record of loans made on

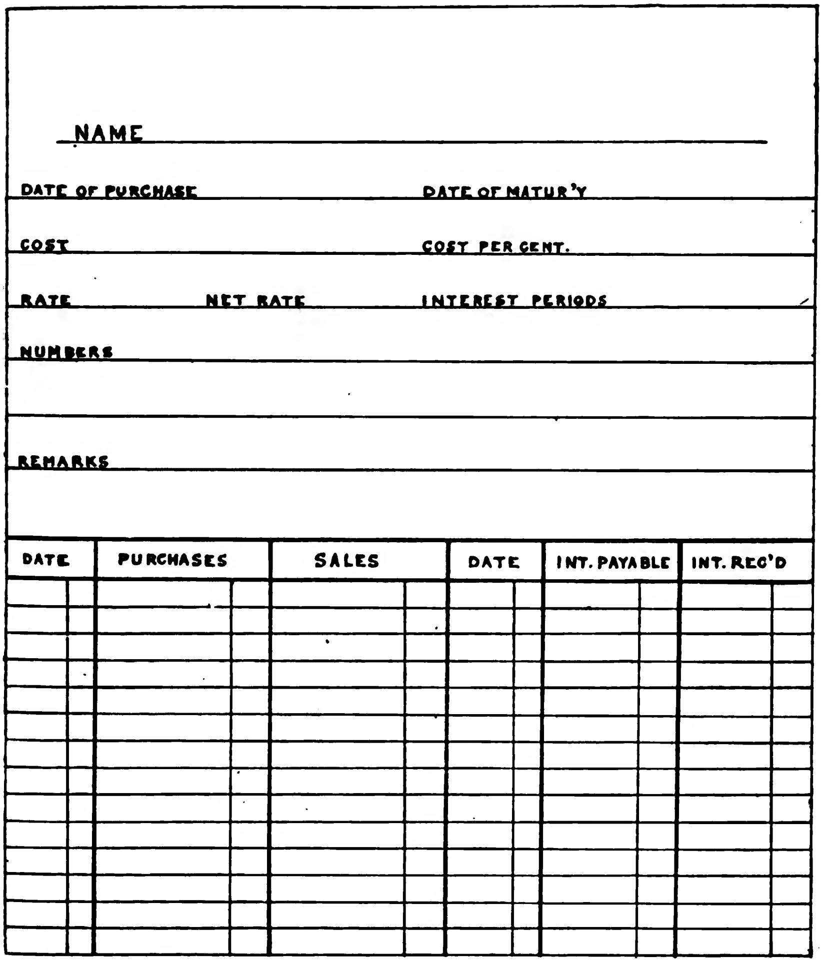


FIG. 4.

real estate. The properties mortgaged are described as to all necessary points, as location, dimensions, assessed and estimated valuation, rentals, expenses. The ruling is on the same lines as that of the stock and bond record.

These three books are the principal auxiliary books of the set under discussion. Though practically indispensable as separate volumes, they are in theory mere feeders to the ledger proper; to which, at the periods for settling the accounts, the respective totals are transferred in lump sums.

In addition there are a few other books in use, such as the book of monthly reports, in which is written each month a statement of the current condition of the bank, which statements are audited by a committee of directors; the insurance register, in which is recorded the date of expiration of insurance policies on properties either owned by or hypothecated to the bank; the minute book, in which are reported the proceedings of the directors' meetings; the coupon tickler, containing a list for each month of the interest coupons becoming due during that month. The form and method of these books is suggested by their titles and therefore need no further description.

CALAMUS.

GROWTH OF THE NATIONAL BANKING SYSTEM.

Summary of National Banks Organized from March 14, 1900, to June 30, 1902.

Classification.	Conversions.		Reorganizations.		Primary organization.		Total.	
	No.	Capital.	No.	Capital.	No.	Capital.	No.	Capital.
Capital less than $50,000.	92	$2,455,000	336	$19,810,000	588	$32,304,000	702	$18,404,000
Capital $50,000 or more.	45	7,780,000					359	43,945,000
Total	187	$10,235,000	336	$19,810,000	588	$32,304,000	1,061	$62,349,000

Number of National Banks in Existence, Authorized Capital Stock, Bonds, on Deposit to Secure Circulation, Circulation Secured by Bonds, and by Lawful Money, on March 14, 1900, June 30, October 31, and December 31, 1901, and June 30, 1902.

	Mar. 14. 1900.	June 30, 1901.	Oct. 31, 1901.	Dec. 31, 1901.	June 30, 1902.
Number of banks	3,617	4,178	4,279	4,337	4,546
Authorized capital	$616,308,095	$647,666,695	$663,224,195	$670,164,195	$684,061,695
Bonds deposited	244,611,570	326,219,230	329,833,930	326,280,240	317,168,530
Circulation, bonds	216,374,795	323,890,653	328,198,614	325,009,308	314,238,811
Circulation, lawful money	38,027,965	29,851,508	31,718,069	35,280,420	42,433,280

During the month of June there were added to the National banking system forty-two associations with aggregate capital of $6,405,000 and with bonds deposited as security for circulation of $750,150. Of the total number, twenty-one with aggregate capital of $555,000 were with individual capital of less than $50,000 and twenty-one with aggregate capital of $5,850,000 with individual capital of $50,000 or over. Banks of primary organization numbered twenty five, with aggregate capital of $3,325,000. There were also organized fourteen banks with capital of $2,980,000 formed to succeed State or private banks placed in liquidation for that purpose. There were but three conversions, two with individual capital of $25,000 and one with capital of $50,000.

Combining organizations effected during the month of June with those chartered prior thereto, from March 14, 1900, it is shown that during that period the total organizations were 1,061 with aggregate capital of $62,349,000 and bond deposit of $15,442,500. Included in the total number are 187 conversions of State banks having an aggregate capital of $10,235,000; 336 reorganizations of State and private banks liquidated for the purpose, with aggregate capital of $19,810,000. There were, therefore, 588 banks of primary organization with aggregate capital of $32,304,000.

Comparing the conditions on June 30, 1902, with March 14, 1900, it is shown that there has been an increase in number of organizations from 3,617 to 4,546. Capital stock increased during the period from $616,308,095 to $684,061,695; bonds on deposit from $244,611,570 to $317,168,530; circulation secured by bonds from $216,374,795 to $314,238,811, and circulation secured by deposits of lawful money on account of insolvent and liquidating associations and those reducing their issues from $38,027,935 to $42,433,280.

THE IMPERIAL BANK OF GERMANY.

According to the report of the Imperial Bank of Germany, the capital during the past year, in accordance with the act of 1899, was raised from 30 million marks to 150 million marks—that is to say, from 1½ to 7½ millions sterling; 10½ million marks, or a little over half a million sterling, out of this was placed to reserve, and the authorized note circulation was also raised to 460 million marks, or 23 millions sterling. It will be in the recollection of some of our readers, no doubt, that the act of 1899, renewing the charter, increased the authorized circulation to 450 million marks, and the failure of the Frankfurter Bank enabled the Reichsbank to increase that uncovered circulation by another 10 million marks. It may be of interest to show here how the stock of metal held by the bank was composed at the end of the year. Gold bars and foreign gold coins amounted to 195,534,000 marks; German gold coin amounted to 436,651,000 marks; the total gold was, therefore, 632,185,000 marks, or £31,609,250; old thaler pieces, which, it will be remembered, consist of silver, and are of the nominal value of three shillings of our money, amounted to 138,232,000 marks, or £6,911,600; and small pieces, the composition of which is not stated, amounted to 98,116,000 marks, or £4,905,800; altogether, 868,533,000 marks, or £43,426,650. The total turnover of the bank during the whole year was 193,147,-619,300 marks, or £9,657,380,965, being 4,056,120,300 marks, or £202,806,015, more than the year before. As the year was one of severe crisis, this large increase in the business done by the bank is a remarkable testimony to the judgment, skill and promptitude with which the bank came to the assistance of the business community throughout Germany, and the happy results it effected. The gross profit of the year was 44,752,345 marks, or £2,237,617. The cost of administration, the share due to the Prussian Government, and various other charges, amounted to 18,806,061 marks, leaving a net profit of 25,946,284 marks, or a little over 1¼ million sterling. Out of this the shareholders received a total dividend of 6¼ per cent., and the German Government 12,417,770 marks, or £620,888, and 4,189,256 marks were put to reserve.

Of the total turnover of the bank during the year, the bills numbered 5,112,981, and were of the aggregate value of 10,017,905,473 marks, or £500,895,274. In number the bills exceeded those of the year before by 178,340, and in value they exceeded them by 113,993,220 marks, or £5,699,661. The average value of each bill discounted in Berlin was 2,481 marks, or £124. And the average length of time for which they ran was fifty-two days. But while the average value of all the bills was so very much larger than the average value of the bills discounted by the Bank of France in Paris, it must be added that as many as 63,373 bills discounted in Berlin were of the value of 100 marks and under—that is, £5 or less. Of the country bills the average value was 1,659 marks, or a little under £83. But as many as 423,235 were for £5 and less of our money. The average length of time for which the bills ran was twenty-three days. Furthermore, of the total bills discounted, 222,422 in number, representing in value 105,486,809 marks, or a little over 5¼ millions sterling, were not paid when they fell due. Of such bills, those of Berlin were about 2¾ per cent. of the total, the country bills over 5¾ per cent. of the total, and all the German bills were very nearly 5 per cent. of the total. The loans outstanding on January 1, 1901, amounted to 146,226,700 marks. And there were lent out in the course of the year 1,514,809,000 marks, making a grand total of 1,661,035,700 marks, or £83,051,785. On the first day of the year there remained outstanding 161,437,550 marks. Of the total outstanding at the end of the year, 154,596,450 marks were lent upon Stock Exchange securities (*werthpapiere*), 2,800 marks upon gold and silver, and 6,838,300 marks upon goods.—*The Statist.*

CANADIAN BANKING, COMMERCE AND MANUFACTURES—A QUARTERLY REVIEW.

The Canadian who undertakes to write the review of the business and commercial conditions of Canada for the past quarter cannot fail to experience a thrill of pride in a country showing such remarkable development in every phase of commercial activity. It is not only in things purely commercial, but also in political and fiscal arrangements that Canada has within the past few months attained to a position of greater prominence in the eyes of the world. Her politics for the past few months have been concerned with matters not domestic, but with questions of world-wide policy affecting her relations with the whole British Empire.

In the political field the centre of interest for Canada has during the past two months transferred itself from Ottawa, the seat of Government, to London, the capital of the British Empire, where, together with the Premiers of the other Colonies, the Premier of Canada, his Cabinet, and the first Ministers from each of the Canadian provinces, are conferring with the Imperial Government as to measures that will tend to promote still further trade within the Empire.

The Canadian representatives have gone to this imperial conference prepared to urge as far as possible the adoption of a policy by Great Britain which would afford an entrance of Colonial goods into the British market on a preferential basis as compared with those from other countries. This matter has been debated day by day in London, England, and while it is not altogether probable that a definite policy may be decided upon this year, undoubtedly great progress has been made towards the adoption of a trade policy in the future that will be immensely beneficial to Canadian interests.

The other great question in the public mind has concerned itself with transportation, and on this occasion it has not been a local question, but one affecting the lines of communication between Canada and the other parts of the Empire. Pre-eminent among these projects is one that will give to Canada a fast Atlantic service between either Quebec, Halifax or Sidney on the Canadian side with Great Britain. Undoubtedly the Canadian Government stands prepared to liberally subsidize a line to undertake this service, and the feeling seems to be at present that some assistance will also be afforded by the Home Government, so that the plan is more than likely to be put into operation.

The question of immigration has also loomed big in the public eye in Canada during the past month, and thousands of Europeans have come to Canada to settle, but more important since has been the large immigration of settlers from the United States into the Canadian Northwest. Many thousands of these have entered Canada during the past year, and have announced that many others will follow them. This has greatly stimulated trade in all lines, and together with the other favorable circumstances in Canada goes far to account for the present expansion in all lines of commercial activity. This feature of expansion has been so marked that our review of the different lines of industrial activity will only serve to show what direction this expansion has taken in the different lines in which it is displaying itself.

The Public Revenues.

The returns for the twelve months ended June 30 last show that the revenue of the Dominion on consolidated fund account was $56,803,694, and the expenditure

under the same head $42,255,316. This would give an apparent surplus of revenue of $14,000,000. The capital expenditure up to the same date was $11,532,155, and deducting this from ordinary receipts and sinking fund, there would still be a seeming excess of over $5,000,000. The receipts and liabilities for the fiscal year just ended, amounting to large sums in the aggregate, have still to come in, so that when the books for the past twelve months are closed there will be a considerable change in the statement as it now appears. For example, last year the receipts which came in after June 30 amounted to $1,778,000, while the outstanding liabilities totaled $8,291,000, and the capital expenditure $1.560,000. This year, accepting those figures as a basis, the revenue will total $58,000,000, the ordinary expenditure $50,746,000, and the capital expenditure $13,000,000 Deducting surplus and sinking fund from the capital expenditure, the net results of the year's operations would be an addition of $3,000,000 to the public debt. The financial statement, as it stands at present, shows an increase over the preceding year in ordinary revenue of $5,567,000, in ordinary expenditure of $3,680,000, and in capital expenditure of $1,975,000. The healthy and buoyant character of the revenue is well illustrated by the following increases, the figures in each class being for the twelve months and the month of June respectively: Customs, $3,807,652, and $619,926; excise, $822,145 and $88,627; post office, $379,929 and $16,748; public works and railways, $678,264 and $69,515.

The following are the details of the revenue for the twelve months compared with the previous year:

Revenue.	*Total to June 30, 1901.*	*Total to June 30, 1902.*
Customs	$28,137,999	$31,945,651
Excise	10,294,645	11,116,790
Post office	3,357,096	3,737,025
Public works, including railways	5,702,479	6,380,723
Miscellaneous	3,243,747	3,123,703
	$50,735,947	$56,303,694
Total expenditure	38,574,502	42,255,316

The chief features of the capital expenditure are an increase of $2,169,000 on public works, railways and canals; an increase of $42,238 on militia; a decrease of $392,419 for railway subsidies; a decrease of $615,794 upon the South African contingents, and an expenditure of $600,180 for iron and steel bounties.

A comparative statement for the twelve months is appended:

	1901.	*1902.*
Public works, railways and canals	$5,917,635	$8,084,739
Dominion lands	237,871	312,808
Militia (capital)	41,186	183,414
Railway subsidies	2,486,358	2,093,939
Bounty on iron and steel	....	600,180
South African continent	874,571	278,777
Northwest Territories rebellion	1,458	1,214
Total	$9,556,169	$11,532,155

Canadian Trade.

The returns for the twelve months ended June 30, 1902, show that Canada's foreign trade is $414,517,358. The imports which help to make up this total are those entered for consumption. The past year's volume of trade is altogether phenomenal. It exceeds the previous year, when the aggregate trade was $377,689,705, by $36,827,673, and is $174,247,976, or over seventy-two per cent., better than 1898, which was the best year for trade in the Dominion.

The figures for the past year show that the imports for consumption, including coin and bullion, amounted to $202,791,595, compared with $181,225,889 in 1901, and $121,505,030 in 1898. The value of dutiable goods was $118,657,496 as against

$105,958,585 in the previous year, and $69,160,737 in 1893. The value of the free goods imported was $77,822,694, as compared with $71,729 540 in 1891, and $45,297,-259 in 1893. The total imports were $211,725,563; in 1901 they were $196,487,632, and in 1893, $118,564,532. The exports of domestic produce alone amounted to $196,105,240, an increase of $19,366,048 over 1901, and of $90,616,442, when compared with 1893. The following are the exports of domestic produce for the three years already referred to:

	1893.	*1901.*	*1902.*
The mine	$5,329,890	$39,962,578	$34,947,574
The fisheries	8,743,050	10,720,352	14,059,070
The forest	26,359,910	30,003,857	32,119,429
Animals and their produce	31,736,499	55,489,527	59,245,433
Agriculture	22,049,490	24,977,662	37,238,165
Manufactures	7,693,959	16,012,502	18,462,970
Miscellaneous	93,692	44,642	32,599
Total merchandise	$102,066,490	$177,241,115	$196,105,240

Agricultural Development.

The crop conditions of the country are being keenly studied for information which will indicate what is the comparative agricultural wealth of the Dominion this year. Taking the whole of the vast cereal producing centres together, the general conditions are certainly at present very encouraging, as they promise abundant harvest in Ontario and Manitoba.

The total area under wheat is 2,039,940 acres, as compared with 2,011,835 acres last year, and 1,457,396 acres in 1900. Oats, which is the crop second in importance, has a total area of 725,060 acres, against 689,951 acres in 1901 and 429,108 acres in 1900. There have also been proportionate increases in barley, flax, potatoes and root crops.

The prospects are good for a fairly large crop of early apples, and it is reported that certain varieties will be abundant enough for export. The dairying interests are also in a prosperous condition.

The conditions of the cattle trade have been very satisfactory to stock-raisers this season. The demand for cattle has been more active the past six months than ever before.

The Manufacturing Interests.

The condition of manufacturing still continues to show a most satisfactory indication of soundness. The foreign trade for the year ending June 30 shows a large increase over last year, and the increase in the cereal production in the West, and also the prospects of bountiful crops in Ontario, have stimulated the demand for many lines of manufactured goods.

The most noteworthy increase in the year's record of exports is in manufactured goods. The total of $7,693,959 in 1893, the best year up to that time, increased to $16,012,502 in 1901, and $18,462,970 this year, a gain of more than 125 per cent. in nine years.

No special features mark the development of manufacturing industries during the past three months, other than the fact that many industrial corporations have been promoted, some of these representing the extension and amalgamation of present businesses, while others are branching out into new lines of manufacture.

Iron and Steel Industry.

The iron and steel industry is in a satisfactory condition at the present time.

On December 31, 1901, there were in Canada fourteen furnaces for the production of pig iron and four more building, with an annual capacity of 1,090,300 tons. There were eighteen rolling mills and steel works and two building, with an annual capacity of 838,400 tons of steel and 98,900 tons of rolled products.

At the two largest works, the Dominion Iron and Steel Company and the Algoma Steel Company, Limited, the former is expected to turn out 500,000 tons of pig and 25,000 tons of ingots, which will be rolled into 400,000 tons of blooms, billets and slabs, while the capacity of the latter will be 380,000 tons of pig and 180,000 tons of steel rails and structural shapes.

Canada's production of pig iron in 1901 was 244,976 tons, a gain of 184 per cent. over 1900. The production of steel (the Sydney and Sault works not in operation) was 26,084 tons, a gain of 2,507 tons over the year before.

The first rails ever made in a Canadian mill were successfully run in May last by the Clergue Steel Works at Sault Ste. Marie. Five thousand tons of steel rails for the Government railways have been rolled, and the balance of their contract for 35,000 tons at the rate of 375 tons a day are being turned out.

Rail and Water Transportation.

The transportation business of Canada is in an exceptionally active and prosperous condition, which may be regarded as among the most reliable indications of general activity and expansion.

The foreign movement on the railways is now larger than ever before. Railway earnings continue to increase, and he freight movement the coming fall, even with the large additions to rolling stocks being made, promises to tax the carrying capacity of the various transportation companies.

The Canadian Pacific Railway has just completed the best fiscal year in its history, the gross earnings for the twelve months being $37,437,082, an increase of over eighty two per cent. on the year 1901. The operating expenses for June can only be guessed at until the regular monthly statement is issued, but assuming that they will be $2,000,000, as they were in May, the operating expenses for the complete year will be $23,000,000, an increase of about seventy-nine per cent. on the previous year. This would leave a net income of $14,000,000, or over twenty-one per cent. on the capital. If this estimate turns out to be correct there will be $7,600,000 odd available for dividends, so that the company will have earned over eleven per cent. on its capital after providing for all fixed charges.

During the current fiscal year the gross earnings of the Canadian Pacific, the Northern Pacific and the Great Northern, on account of the bountiful wheat crop in the Northwest, have shown enormous increases. These compare for ten months as follows:

	Gross.	*Per cent. of increase.*
Canadian Pacific	$5,587,821	18.0
Northern Pacific	7,093,203	21.7
Great Northern	6,787,496	23.9

The comparative share earnings of the three companies for a period of twelve months, to April 30, 1902, may be figured as follows:

	Canadian Pacific.	*Northern Pacific.*	*Great Northern.*
Year's surplus, June 30, 1901	$5,736,965	$9,218,904	$9,388,982
Ten months' gain in net	2,094,624	3,800,000	3,600,000
Total	$7,831,589	$13,018,904	$12,988,982
Less preferred dividend	1,246,840	....	....
Balance	$6,584,749	$13,018,904	$12,988,982
Stock	65,000,000	155,000,000	125,000,000
Earnings on stock	10.13 p. c.	8.39 p. c.	10.39 p. c.

The returns from Sault Ste. Marie show that the total freight carried through the United States and the Canadian canals during the month of June amounted to 4,721,608 tons, against 4,519,075 tons in June, 1901, and 4,107,602 tons in 1900. Of

this quantity the Canadian "Soo" supplied 1,118,564 tons in June, 1902, against 1,255,055 tons in June, 1901, and 294,681 tons in June, 1900. The Canadian "Soo" carried 23.69 per cent. of the total carried in June, 1902, 27.33 per cent. of the total in June, 1901, and 7.17 per cent. in June, 1900. Of the total carried by the Canadian "Soo" in June of each of the three years, east bound freight constituted 900,183 tons, 986,499 and 178,514 tons, showing that in June, 1902, the freight passing east was less than in June, 1901, by 86,316 tons, but more than in June, 1900, by 721,619 tons. The west-bound freight was 218,431 tons, 248,566 tons, and 116,167 tons, showing that in June, 1902, the west bound freight on the Canadian canal was 30,135 tons less than in June, 1901. The total freight carried by both canals both ways during the three months of the present season was 11,486,501 tons, against 6,767 tons in the three months of 1901, and 8,673 tons in the same period of 1900. Thus, during the present season, the "Soo" canals have carried 4,719,381 more tons than in the same period of 1901, and 2,813,020 tons more than in the 1900 period. During the present season the Canadian "Soo" has carried 1,650,752 tons against 1,386,734 tons in 1901, and 680,061 tons in 1900.

The general idea at present seems to be that a gigantic company will be floated in London to conduct a fast passenger service to Cape Breton, with three new 23-knot steamers, costing a million sterling each. The company would also buy the Furness and Elder-Dempster fleet for a cargo service to the St. Lawrence. It is hoped to induce the Australian ministers to combine with Canada to improve the Vancouver-Australian fleet as a link in the fast-mail service to bring London and Sydney within twenty-five days of each other. Such a line should be subsidized to the extent of $1,500,000 to $2,000,000 yearly for ten years, half payable by Great Britain and half by Canada.

The establishment of such a line would assist trade in the Dominion, would increase its export trade, especially in perishable products, would add greatly to the volume of passenger traffic through Canadian channels, would give an impetus to ship building in Canada, and would, with the aid of the transcontinental railways, bind the different portions of the Empire more closely together.

The Fisheries.

The fishing industry is in a satisfactory condition. The fish have begun to run in the Northern rivers, and the commencement of operations in the Fraser River is looked for soon. The labor question promises to be more settled this season, and the prices asked for the fish are normal.

Much satisfaction is expressed in trade circles in British Columbia as a result of the negotiations between the canneries and the fishermen. The scale of prices agreed upon ranges from twenty cents down to eleven cents, according to the size of the catch. The canners agree to employ not more than 2,000 boats during the season, and to consider August 25 as the last day of the Sockeye season for settlement, etc. It is expected naturally that the pack will exceed 200,000 cases, and therefore that the maximum price of twenty cents per fish will not be paid. A 300,000 pack would call for a wage scale of fifteen cents.

The combination of the British Columbia salmon canneries recently effected comprises a consolidation of about sixty per cent. of the salmon canneries of British Columbia. The authorized capital is $4,000,000, being divided into common stock $2,500,000, and preferred stock $1,500,000. Of the preferred stock $1,500,000 has been subscribed for, and the cash paid into the credit of the company. Of the common stock $1,494,500 has been issued to pay for the canneries obtained. This leaves in the company's treasury over a million dollars' worth of the common stock, and $250,000 of preferred. This is to be used, if it is considered desirable, to buy other

canneries not yet taken into the consolidation, or to provide funds for the erection of factories to utilize the by-products of the fish, such as guano, glue, oil, etc.

Other industries are to be developed, such as packing crabs, clams and cheaper grades of fish, which it is hoped will render the plant remunerative during a portion of the ten months of the year in which it at present lies idle.

The seal fishery season is now over, and the total catch off Newfoundland amounts to 275,000, seals. The value of the catch approaches $450,000.

BANKS AND BANKING.

The returns of the Canadian chartered banks to the Government for the past year show a marked increase in the banking business of the Dominion, and are reliable as indications of the volume of trade both foreign and domestic.

Nearly all of the banks have made statements which show that they are well able to increase their dividend distributions to shareholders during the banking year just closed. A number of the banks have paid bonuses or increased dividends in addition to adding handsomely to cash reserves. Others have preferred simply to make additions to their rest accounts. In nearly all cases the annual statements of the banks have come up to expectations. In some cases the expectations indulged in by the shareholders have been surpassed. The large increase in the business of the banks the past year, even when the statements are compared with the excellent year of 1900–1901, is a notable feature of these annual reports. If the trade of the country continues to expand the next year or two as it did in 1901–1902, the necessity there will be of further increases in the capital of some of the leading banks is obvious.

The stocks of Canadian chartered banks have proved of great advantage to investors looking for high class investments. Not only have very fair dividends been maintained, but there have been frequent allotments of new stock to shareholders, at a price which, while providing for ample additions to reserves, proved very advantageous to holders of old stock. These new allotments have handsomely augmented the return investments in bank stocks and made that class of security keenly sought by investors.

The statements of the Canadian Chartered banks for the past quarter are presented below. They show capital, reserve, assets and liabilities, and average holdings of specie and Dominion notes.

LIABILITIES.	*April, 1902.*	*May, 1902.*	*June, 1902.*
Capital authorized	$77.126.666	$79.126.666	$79,126,666
Capital paid-up	68,474,518	69,358,443	69,584,808
Reserve funds	38,665,823	40,206,698	40,407,911
Notes in circulation	$50,691,588	$50,754,716	$53,953,043
Dominion and provincial Government deposits	6,859,833	7,599,206	8.896,661
Public deposits on demand in Canada	99,210,543	101.714.180	105,187.781
Public deposits at notice	239,875,361	239,969,781	239,812,120
Deposits outside of Canada	32,067.736	30,163,079	35,731,417
Bank loans or deposits from other banks secured	659,015	680,815	698.096
Due to other banks in Canada	3,051,2[illegible]5	2,946,303	3,194,350
Due to other banks in Great Britain	6,529,954	4,740,858	5,024,180
Due to other banks in foreign countries	672,895	920,193	1,051,241
Other liabilities	8,706,267	10,600.764	11,599.460
Total liabilities	$448,826,515	$450,689,961	$465,108,425

ASSETS.	*April, 1902.*	*May, 1902.*	*June, 1902.*
Specie	$12,919,711	$12,804,824	$12,409,855
Dominion notes	21,339,692	23,778,837	23,690,782
Deposits to secure note circulation	2,569,513	2,584,513	2,644,760
Notes and checks on other banks	14,557,378	13,235,361	16,918,470
Loans to other banks, secured	659,015	679,196	698,097
Deposits with other banks in Canada	4,097,714	4,215,064	3,821,451
Due from banks in Great Britain	3,763,348	6,374,342	5,957,350
Due from other banks in foreign countries	12,547,160	13,551,470	13,484,668
Dominion or provincial Government debentures or stock	10,192,068	10,169,429	10,024,060
Other securities	47,612,082	48,972,314	49,567,595
Call loans on bonds and stocks in Canada	39,508,535	41,308,894	45,828,253
Call loans elsewhere	43,020,869	38,277,922	46,368,241
Current loans in Canada	302,160,867	303,738,096	300,714,347
Current loans elsewhere	28,737,195	26,327,300	26,097,921
Loans to Dominion and Provincial Governments	4,245,762	4,118,218	3,965,592
Overdue notes	2,230,888	2,091,730	2,148,011
Real estate	943,945	898,000	890,756
Mortgages on real estate sold	736,473	777,942	798,776
Bank premises	6,911,171	6,814,182	6,851,226
Other assets	5,777,745	6,129,466	9,011,660
Total	$564,576,264	$566,361,675	$581,876,965
Average amount of specie held during the month	12,290,099	12,323,898	12,420,737
Average Dominion notes held during the month	21,410,069	21,821,409	23,413,978
Greatest amount notes in circulation during month	53,221,681	52,184,227	54,648,201
Loans to directors or their firms	9,8[illegible]2,350	9,802,821	10,497,230

The steady expansion of the business of the Canadian banks for a number of years past, and the gradual working up of the note circulation to the limit allowed by the charters, are shown by the figures of the paid-up capital of the banks and the note circulation at the close of June for a number of years past:

	Paid-up capital.	*Notes in circulation.*
1895	$61,701,007	$30,106,578
1896	62,196,418	30,336,844
1897	61,949,536	32,366,174
1898	62,308,137	36,539,108
1899	63,674,065	39,097,708
1900	64,735,145	45,577,387
1901	67,095,718	49,119,479
1902	69,584,308	53,953,043

A deal was consummated on July 16 last whereby the Union Bank of Halifax acquires the Commercial Bank of Windsor. The terms of the transaction, in brief, are that the Commercial Bank shareholders will receive Union Bank stock, which at the present price will mean about the equivalent of par for the Commercial Bank stock.

The foregoing figures show a steady development, and the returns make it evident that much of the increase in deposits during the past year has been employed in ordinary advances and discounts. Bank deposits increased between April 30, 1901, and April 30, 1902, from $341,000,000 to $381,000,000; while advances and discounts increased from $310,000,000 to $338,000,000, the balance of the increase in deposits being represented by call loans. These amounted in April last year to $68,000,000, while this year they have mounted up to $82,000,000.

The statement for June will be of more than usual interest owing to the fact that it closes the fiscal year of the banks. The note circulation was a record one. The greatest note circulation reached in June was $54,648,201, against $52,184,277 for May last, and $49,630,106 for June, 1901. The public deposits for June, 1902, show a gratifying expansion. The total public deposits for June amounted to $380,-681,318, against $371,847,040 for May last, and $287,418,718 for June, 1901. For June, therefore, the increase in public deposits was nearly nine million dollars, and compared with the same month last year, there is an increase of forty-three million dollars. The increases for June, 1902, included some five and one-half million dollars in the deposits elsewhere than in Canada, an increase which is placed to the credit of the Bank of Montreal. The deposits payable on demand in Canada increased $3,423,000, and those payable after notice were practically stationary.

Call loans increased four and one-half million dollars during June, and call loans elsewhere than in Canada rose eight million dollars, compared with the total for May last. Current loans fell off over three million dollars for the month, but with a total of $300,700,000 at the end of June, they stood nearly eighteen millions higher than for the same period last year. Total liabilities stand at $465,103,000, as against $450,069,000 the month before.

Hence our concluding summary based upon the various facts presented in the foregoing paragraphs would be as follows:

The condition of banking, commerce and manufactures in the Dominion of Canada for the past three months has been satisfactory. The natural expansion of trade, owing to the prosperity everywhere existing, and the large increase in immigration, which for the fiscal year ending June 30 numbered 64,634, an increase of over 15,-490 over the previous year, have been largely responsible for the buoyant feeling in business circles; but the excellent crop conditions in Ontario and Manitoba at present being reported are doing much to maintain and enhance the general confidence of all associated with the mercantile, manufacturing and industrial interests of the country. A most satisfactory feature is the failure list for the first half of the year, which shows a very remarkable reduction in the number of insolvencies in Canada. Canadian banks and mercantile interests have been largely instrumental in bringing about this improvement in general business conditions. The development of new business has been along sound and healthy lines. Weak concerns, with little or no capital and of limited experience, have been discouraged in their efforts to embark in enterprises on borrowed capital. Old firms with capital and resources, those best qualified to take care of new business offering in various parts of the Dominion, and others who were willing to put their own capital into new industries and enterprises, and wait for results, have made rapid strides and have already received abundant promise of handsome returns. All this has led to the healthy condition of business now apparent in the country.

Excessive Bank Taxation.—A New York State newspaper, in speaking of the probable change in the form of organization of a certain bank says:

> "The charter of the bank expires in a short time and the directors state that the profits of a National bank are not commensurate with the labor, risk, and capital involved. With a capital of $100,000, the taxes for the last year amounted to $8,100. During the existence of the bank $450,000 of dividends have been paid and taxes to the amount of $150,000. 'One-third of the net earnings of the bank,' writes the President, 'has been devoted to the payment of taxes. Apply this per cent. to any other business, and the burden will be appreciated. If a merchant or a newspaper, a farmer or a capitalist had to pay one-third of his earnings to a tax collector, it would be natural for him to hunt for other business. For fifty years we have paid State tax, county tax, school tax, Government tax, revenue tax, taxes on deposits, taxes on circulation, and many other taxes, until we have acquired a very tired feeling.'"

THE MYSTERY OF THE BALANCES.

Editor Bankers' Magazine:

SIR: In your MAGAZINE for July you make some comments on my article—"The Mystery of the Balances"—to which I wish to make a reply.

In support of my theory I cited, among other things, the disappearance of our gold currency.*

In reply to this point you produce figures to show that our gold coin and certificates more than doubled from October, 1896, to April 30, 1902.

Here you include gold in the National banks, while I referred only to that which passes from hand to hand—in general circulation. The Treasury reports recognize this distinction, as is shown by the following report copied from the New York "Times" of July 27, 1902:

Treasury Gold Holdings.

Reserve against United States notes	$150,000,000
Reserve against gold certificates	346,582,089
Gold in the general fund	62,719,963
Total gold July 1, 1902	$559,302,053
Specie in New York banks	$173,116,800
Specie in all National banks	398,760,561
Gold coin in circulation	629,271,532
Gold production 1901	80,218,800

As to the question whether there is more, or less, of such gold in general circulation now than there was five or ten years ago, a careful inquiry among business men convinces that there is very much less.

Nor can it be said that there is any more in the National banks, belonging to American citizens, until it is definitely known how much stock in such institutions is owned by foreign capitalists or their agents.†

I recognize the authority of Treasury officials as to the amount of gold coined or issued; but I don't recognize them as authority in regard to the amount in general circulation. In the former case they are dealing with facts of which they have personal knowledge; but in the latter case they are just guessing.

For many years American gold has been circulating quite extensively all over Canada. The official reports don't show how this gold got there; but the fact that there is a vast army of Canadians who come here every spring and go back in the fall furnishes a pretty good clue to the mystery.

Again, the Treasury reports always assume that all the gold which comes from the Klondike, and all that is produced by our own mines, belongs to American citizens. Such is not the fact. A good part of the Klondike product belongs to Canadians and soon finds its way to the Canadian banks here. As to the product of our own mines, I question if one-half of it really belongs to American citizens. Foreign capitalists, mostly British, began making heavy investments in our mining in 1898, and they have kept it up ever since. They own the Independence mine, the largest ever opened here, worth $10,000,000, and the Camp Bird, the next largest, and ever so many more.

Yet, in spite of these obvious facts, our sleepy Treasury officials will have it that all the Klondike gold, and all that is mined and coined here, belongs to American citizens; and that not a dollar of it is in Canada or in the vaults of the foreign banks here.

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* As the stock of gold held by the Treasury and the National banks has about doubled since 1896, it hardly seemed accurate to speak of "the disappearance of our gold currency." Would it not be more exact to say that gold has been steadily looming into view as the chief element of our circulation? In our comment we were careful to state that Mr. Allen probably referred to the hand-to hand circulation of gold coin. This may be less than a few years ago, but it would appear probable that an extended inquiry would show that gold certificates circulate now more extensively than ever before, and that this circulation of the certificates represents a greater volume of gold than when the coins themselves were more in evidence. The heavy increase of gold payments at the New York Custom House does not support the theory that gold is disappearing.—Editor BANKERS' MAGAZINE.

† Of the 6,337,114 shares of National bank stock issued up to July 5, 1897, residents of the States where the banks are located held 5,464,037 shares, and 873,077 shares were held by non-residents, 21,729 shares included in the latter class being owned by residents of foreign countries.—Editor BANKERS' MAGAZINE.

But this question of the disappearance of our gold currency is not, as you seem to imagine, one of the chief points in support of my theory that our foreign debts are increasing rather than diminishing. It is only a minor point. The chief points are the records of foreign dealings in our properties, and the general financial conditions here and abroad. As to the first point, it was shown that, instead of returning over $1,000,000,000 worth of stocks in the past four years, as the current theory assumes, foreigners have in this period bought over three million shares of stocks more than they sold in the Stock Exchange, and that outside of Wall Street the excess of purchases was even larger. As to the second point, it was shown that in 1899 and last year foreigners were lending large sums of money here, thus proving that these same foreigners were not under any necessity of parting with securities to square their merchandise balances with us, and that we had no yearly surplus of $300,000,000 to purchase these securities. And, finally, this one fact that we have had to borrow these enormous sums during the past year and a half, also proves that our balances are not even big enough to cancel our annual foreign debts, therefore we must be increasing our permanent foreign debt instead of reducing it.

Hence, in view of all this, I contended that this current theory which assumes that by reason of our big trade balances we are changing from a debtor to a creditor nation was "the biggest mess of tomfoolery and rot that was ever imposed on the American people;" but you edited this blunt expression so as to make it read "the biggest deception ever imposed on the American people." Well, let it go at that. I am inclined to think, however, that when it becomes known how the facts in the case have been twisted for stock-jobbing purposes public opinion will justify much more vigorous language than any that I have used.

There seems to be a disposition in some quarters to belittle the importance of this question and to refer to it as a "mere academic discussion," but I think this is a mistake. These enormous sterling loans here are an unmistakeable sign that we are piling up a big foreign debt that may precipitate a serious financial crisis in the near future, and it hardly seems the part of wisdom or discretion to treat the question with indifference, or to twist the facts for fear that it may depress the stock market. W. N. ALLEN.

BROOKLYN, N. Y., July 31, 1902.

New York State Banks.—Report of condition at the close of business on Tuesday, June 10, 1902.

RESOURCES.		LIABILITIES.	
Loans and discounts, less due from directors	$207,927,508	Capital	$25,515,700
Liability of directors as makers	6,755,122	Surplus fund	17,326,594
Overdrafts	149,780	Undivided profits	11,498,845
Due from trust companies, banks, bankers and brokers	30,711,973	Due depositors on demand	253,411,997
Real estate	10,539,289	Due to trust companies, banks, bankers and brokers	38,954,613
Mortgages owned	4,153,721	Due savings banks	13,691,423
Stocks and bonds	25,238,516	Due the Treasurer of the State of New York	1,821,098
Specie	27,329,424	Amount not included under any of the above heads	823,147
U. S. legal tenders and circulating notes of National banks	16,415,672	Add for cents	294
Cash items	31,650,860		
Assets not included under any of the above heads	2,166,242		
Add for cents	604		
	$363,038,711		$363,038,711

Currency in Guatemala.—Consul-General J. C. McNally reports from Guatemala City, June 23, 1902, that the silver peso is no longer current in the Republic of Guatemala. The money in use is paper currency and fractional nickel coins. The present value of the paper peso is about fifteen cents in United States currency. In Government decrees as to values, customs duties, or other internal revenues where the peso is mentioned, reference is made only to the paper peso, which fluctuates in value from day to day. While the Guatemala silver peso commands a premium at a ratio of about three for one, the coin is not in ordinary circulation and is growing noticeably scarce. A Government decree of some time back provided that all obligations or debts contracted when silver was the current currency could be paid in paper. For some time past exchange has been about 700 per cent. premium for United States drafts or gold currency.

NOTICES OF NEW BOOKS.

[All books mentioned in the following notices will be supplied at the publishers' lowest rates on application to BRADFORD RHODES & CO., 87 Maiden Lane, New York.]

SAVINGS AND SAVINGS INSTITUTIONS. By JAMES HENRY HAMILTON, PH.D. New York: The Macmillan Co.

Professor Hamilton has treated the subject of Savings most thoroughly and has brought together a large amount of valuable information in regard to all kinds of Savings institutions. The extended description of their methods, the principles underlying them, and various other aspects of the several classes of institutions, are all interestingly and fully presented.

Professor Hamilton thinks that a Government postal Savings bank will be needed, ultimately, to supplement existing institutions. He points out that the trustee Savings banks are confined to a few States, and in some of these States are further restricted almost entirely to the larger cities. He carefully explains why this is so. The defects incident to building and loan associations and various other co-operative investment organizations are also shown.

It is probable that in those localities where trustee Savings banks can not be successfully operated, their functions are being performed satisfactorily by the commercial banks having departments devoted to savings accounts. The trust companies are also working along similar lines. If the State laws were so drawn as to provide the greatest possible safeguards for the investment of these savings, probably all would be accomplished that would be possible under a postal Savings system.

For the breadth of its investigation and the scientific spirit by which it is characterized, Professor Hamilton's contribution to this subject is entitled to the highest rank. The work may be read with profit by all who desire a thorough comprehension of the principles governing Savings banks and the most practicable method of applying them.

STATISTICAL STUDIES IN THE NEW YORK MONEY MARKET. By JOHN PEASE NORTON, PH.D. New York: The Macmillan Co.

This an exhaustive technical analysis of the causes affecting the New York money market, accompanied by numerous statistical tables. The work is doubtless of great value, but too abstruse to gain the attention of the general reader.

BANK BOOKKEEPING AND ACCOUNTS. A concise treatise showing the application of the principles of bookkeeping to the record of banking transactions. By JOHN A. MEELBOOM, Chartered Accountant. London: Gee & Co.

This is an excellent presentation of the details of bank bookkeeping as practiced in Great Britain and other countries having a similar banking system. Though not generally applicable to this country, it will be found valuable to bank auditors and accountants who desire to obtain a thorough knowledge of bank bookkeeping as practiced in the world's money centre.

BANKING AND FINANCIAL NEWS.

This Department includes a complete list of New National Banks (furnished by the Comptroller of the Currency), State and Private Banks, Changes in Officers, Dissolutions and Failures, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—A special meeting of the shareholders of the Title Guarantee and Trust Company has been called to consider an increase of the capital from $2,500,000 to $4,000,000. This step is to be effected by making a transfer from surplus to capital account. If the change is voted, as it is expected it will be, the surplus will still be $2,500,000.

—The Royal Bank of New York, which proposes to do a discount and deposit banking business in New York city, has filed articles of incorporation with the State Banking Department. The capital is $100,000, and the directors are F. Cyrus Stratt, Mark H. Sugerman, Franklin Pierce, Lew E. Sugerman and Philip Sugerman.

—Plans are said to be under way for the erection within a year of an eleven-story office and business building to be known as the Williamsburg Trust Company Building. A deal has been closed for the purchase of the property at 391 and 393 Fulton street, opposite the borough Hall, Brooklyn, to be used for a site. The leases of the tenants on the property do not expire till next May. The new structure will have entrances on both Adams and Fulton streets.

—John I. Cole, formerly with the National Shoe and Leather Bank, has been elected Assistant Cashier of the Merchants' Exchange National Bank.

—Langley Wiggin, formerly Assistant Cashier of the Mutual Bank, was recently elected Cashier of that institution.

—A branch of the Hamilton Bank will be opened at the corner of Seventh avenue and 125th street, rooms having been leased for that purpose.

—The annual convention of the New York State Bankers' Association will be held in this city October 9 and 10.

—James M. Bell has been elected President of the new Equitable National Bank, succeeding Postmaster Cornelius Van Cott, who resigned owing to inability to devote the required amount of attention to the duties of the position.

—Hon. Thomas L. James, former Postmaster-General of the United States, and now President of the Lincoln National Bank, of this city, recently contributed an article to "The Sun" on the subject of Education. Gen. James believes that there is a tendency in the schools to devote too much attention to the more showy branches of learning at the expense of the fundamental branches—those that are of greatest advantage in the affairs of every-day life. He finds that many young men who seek employment, while having "gone through" the higher-grade schools, are deficient in their ability to write a good hand, and are unable either to speak, read or write the English language correctly. Arithmetic, he finds, is also neglected. Gen. James, however, does not wish to criticise the schools at all harshly. On the contrary, he believes that upon the whole they are better than ever before.

—The new Eastern Trust Company will establish a branch at the northeast corner of Broadway and Thirty-sixth street.

MIDDLE STATES.

Pittsburg.—The First National Bank is to issue 2,500 shares of new stock to be sold at $600, which will give the bank $1,500,000. The capital stock is to be increased by $250,000, making the total $1,000,000, and the balance will be added to surplus and profits, making the aggregate of these two items $2,250,000.

—Wm. E. Von Bonnhorst has been succeeded by J. S. Brooks as Cashier of the Marine National Bank, Mr. Von Bonnhorst having associated himself with the firm of James Carothers & Co.

—The new Mellon National Bank and the Fort Pitt National are new members of the clearing-house.

—From April 30 to July 16 the deposits of the National banks of this city increased $13,-342,302.

Philadelphia.—At a meeting of the directors of the Fourth Street National Bank, July 29, Richard H. Rushton was unanimously elected President to succeed Sidney F. Tyler, resigned. Francis L. Potts was elected Vice-President to succeed Mr. Rushton.

Few bank officers in the country are better known or more deservedly popular than Mr. Rushton. His banking experience dates from 1870, when he secured a position in the Commercial National Bank. He advanced through the different positions until 1878, when he was elected Assistant Cashier. In the latter part of 1885 he resigned to assist in the organization of the Tenth National Bank, of which he was Cashier for about six months, when he wa elected Cashier of the Fourth Street National. Later he was elected Vice-President, continuing until recently to act as Cashier also. Mr. Rushton has been very active in the management, and a large part of the remarkable success the bank has won is due to his efforts. In 1887 the surplus of the bank was $75,000, the individual deposits $1,364,054, and total resources $3,147,484. Now the surplus and profits amount to $4,079,638, the deposits to $34,048,430, and the total resources are $42,202,067. It is certainly no exaggeration to characterize this growth as remarkable.

Mr. Rushton was chosen as the first President of the Pennsylvania Bankers' Association at the convention held in Philadelphia in December, 1895.

—James Speyer, and Richard A. McCurdy, President of the Mutual Life Insurance Company, have been elected directors of the Girard Trust Company.

—The Pennsylvania Bankers' Association will hold its annual convention in this city September 24 and 25.

Albany, N. Y.—About the middle of September the National Commercial Bank will increase its capital from $300,000 to $500,000, the directors having already unanimously recommended the increase to the shareholders. As the total of the bank's volume of business is now about $12,000,000, it was deemed advisable to make this increase in the capital. A further evidence of the National Commercial's prosperity is afforded by the recent decision of the directors to put up a fine building to be used exclusively by the bank.

New York Savings Banks.—The 127 Savings banks doing business in thirty-one counties of New York State had on July 1, 1902, aggregate resources of $1,167,683,337, which was an increase for the year of $62,606,573, and for six months of $36,118,713.

For the dates named, the total resources were as follows: July 1, 1901, $1,105,076,764; January 1, 1902, $1,131,564,624; July 1, 1902, $1,167,683,337.

One Savings bank went out of business during the year, and in several localities trust companies have been paying interest on small deposits, which had a little effect on deposits.

The increase in the amount of deposits for the year over those of the previous year is $14,523,199, but the withdrawals were greater than those during the year ended July 1, 1901, by $16,503,185. For the past year, however, the aggregate of the deposits exceeded the aggregate of the amounts withdrawn by $31,165,558.

Deposits on the dates named were: July 1, 1901, $987,621,809; January 1, 1902, $1,014,305,858; July 1, 1902, $1,051,689,186.

The number of open accounts on July 1, 1902, was 2,229,661, compared with 2,129,790 on July 1, 1901.

Altoona, Pa.—It is reported that the business of the Altoona Bank has been absorbed by the new Central Pennsylvania Trust Company.

New Jersey State Banks.—The reports of the trust companies, Savings banks and State banks in New Jersey at the close of business June 30, have been compiled by the Bank and Insurance Commissioner, and show a big increase of assets and deposits as compared with the returns of December 31, 1901. The total assets of the ninety-three institutions are $182,895,-283, an increase of $23,550,398 over last year. The deposits amount to $146,459,568, an increase of $16,459,265. There are twenty-eight Savings banks in the State, with assets of $76,000,000, deposits $69,000,000, and a surplus of $5,500,000. The forty-seven trust companies have assets of $94,000,000 and deposits of $871,642,000. There were thirteen new trust companies started since January 1.

The eighteen State banks have assets of $12,611,000 and deposits of $8,930,000.

Newark, N. J.—On July 22 the directors of the Fidelity Trust Company declared a semi-annual dividend of five per cent. and an extra dividend of three per cent. on the $1,500,000 capital stock of the corporation. The semi-annual dividend of five per cent. is an increase over the regular annual dividend of eight per cent. which the company has been paying. The three per cent. extra is not fixed.

Baltimore.—Drawings and specifications for the new building of the National Howard Bank, which is to be erected at the northwest corner of Fayette and Howard streets, were recently placed in the hands of contractors for bids.

The bank owns and occupies the corner building and also acquired the adjoining structure on Howard street, both of which will be torn down.

The new bank building will be fireproof and have a frontage of thirty-six feet on Howard street, and a depth of seventy feet on Fayette street. It will be built of terra cotta, with granite base, and will be used exclusively for banking purposes.

SOUTHERN STATES.

Chattanooga, Tenn.—The Chattanooga Clearing-House reported for the week ended July 17 clearings of $533,328, an increase, as compared with the corresponding week of last year of $99,868. For the first two weeks in July the total clearings were $1,103,891, an increase of $270,656, compared with the first two weeks of July, 1901.

Atlanta, Ga.—The Atlanta Clearing-House Association reported for the week ended July 12 an increase in clearings of $522,798, compared with the corresponding week of last year. The clearings for the first six months of the calendar year show an increase of $8,045,491, compared with the first six months of last year.

Made a Government Depository.—The City National Bank, of Tuscaloosa, Ala., was recently designated as a depository for Government funds by the Secretary of the Treasury.

New Orleans, La.—The consolidation of the Hibernia National Bank and the Southern Bank and Trust Company went into effect August 1, the new title being the Hibernia Bank and Trust Company. A modern twelve-story building will be erected for the company's use.

WESTERN STATES.

Wisconsin Bankers' Association.—The annual convention of the Wisconsin Bankers' Association will be held at Milwaukee August 12 and 13.

Oakland, Iowa.—E. F. Wentz, Cashier of the Citizens' State Bank, Oakland, Iowa, recently resigned to become Cashier of the Kingfisher (Okla.) National Bank. His successor as Cashier of the Citizens' State Bank is W. W. McRory.

Detroit, Mich.—On July 16 the statement of the State Savings Bank showed total deposits of $13,452,418, and aggregate resources $13,160,542. From 1892 to 1902 the deposits of this institution rose from $3,086,957 to $13,452,418. The deposits have doubled since 1899.

Chicago.—It was reported here recently that the Mexican Trust Company, of the City of Mexico, is to be made the nucleus of an international bank to be organized with headquarters in New York, and branches in Chicago, San Francisco, City of Mexico, Rio de Janeiro and Buenos Ayres. The capital, it is stated, will be $5,000,000.

—Deposits of the National banks of this city on July 16 were $284,742,369, compared with $283,596,088 on April 30, the date of the last previous statement.

Oklahoma Bank Reports.—On July 10 Paul F. Cooper, Bank Commissioner of Oklahoma, made public the reports showing the condition of the banks of the Territory on June 11. There were 156 banks reporting, an increase of twenty-three since the report of March 12. Since this date the deposits have decreased $1,202,611, and now amount to $5,760,717. The withdrawals of farmers and others at this season of the year explain the decrease in this item. Since March 12 eight Territorial banks have gone into the National system.

Denver, Colo.—At a meeting of the shareholders of the First National Bank, held July 1, the capital of the bank was increased from $500,000 to $1,000,000, and the surplus and profits also increased from $500,000 to $1,000,000.

The First National Bank, of which D. H. Moffatt is President, is one of the oldest and strongest banks in the West. With this doubling of its capital and surplus additional strength is afforded and the ability of the bank to satisfactorily handle its large business is greatly increased.

CANADA.

A Bank Absorption.—It is announced that the Union Bank of Halifax will absorb the business of the Commercial Bank of Windsor. The Union Bank will issue 4,118 shares of new stock, valued at $350,000, and this divided among holders of Commercial Bank shares will give them about ninety-seven for their stock, the reserve fund of the absorbed bank being, however, wiped out in the transaction. The transaction is regarded as being such as will commend itself to the favorable consideration of the shareholders of both banks.

Failures, Suspensions and Liquidations.

New York—Buffalo.—On July 11 it was announced that the Empire State Savings Bank would be placed in the hands of the Fidelity Trust Company as Receiver. The Trust Company assumed to pay immediately eighty per cent. of deposit liabilities, and the other twenty per cent. as rapidly as the assets can be realized. The trust company is to perform the services of Receiver without compensation.

FOREIGN BANKING AND FINANCIAL NOTES.

AGRICULTURAL BANKS IN TURKEY.

The Empire of Turkey possesses an extensive system of agricultural banks under Government management, the purpose of which is to furnish small loans to farmers. The capital is provided by a light annual tax on agricultural property. Principal agencies have been established in sixty-five cities, capitals of provinces (vilayets) or counties (sanjaks), and there are 803 branches in less important places.

Loans for the purpose of improving farms and purchasing implements and stock are made on satisfactory security, chiefly real estate. The rate of interest is six per cent. per annum.

Theoretically, this system of banks is an excellent one, but its effectiveness is hampered by two causes—the formality necessary to borrow even small sums and the requisitions made for forced loans from the capital of the banks by other branches of the Government.

The last annual report of the banks—for the financial year ended March 13, 1899—has just appeared and contains the following summary of operations:

At that date (March 13, 1899), the capital amounted to $12,642,090, of which eighty-four per cent., or $10,619,855, was loaned to farmers.

During the year the banks loaned to 90,536 individuals sums amounting to $2,621,400—an average of $29 for each loan.

This average is a forcible illustration of the humble scale upon which agricultural progress in Turkey is based. Over ninety-six per cent. of the loans were made upon real-estate security; the remaining four per cent. were on personal guaranties.

The branch bank located at Mezreh makes all loans on property in the territory adjacent to Harput and Mezreh; other branches at Malatia, Arabkir, and Eghin supply the needs of the remoter portions of the vilayet.

The branch at Mezreh in the past year increased its capital by £1,700 Turkish ($7,480), received from taxation. Some 350 borrowers secured loans amounting to £4,000 Turkish ($17,600). The average loan at Mezreh is about $50 and the average duration of a loan five years.

PROPOSED GERMAN BANK IN SOUTH AFRICA.

Under date of June 21, 1902, Consul J. F. Monaghan writes from Chemnitz:

"The Germans seems to realize that keen competition will develop in the rich South African trade. In order to give the German exporter every advantage, a local paper urges the establishment of a German bank in South Africa, whereby German capital may be made entirely independent of the English banking and credit facilities upon which it must now rely. It is estimated that the German capital employed in South Africa at the present time amounts to 1,000,000,000 marks ($238,000,000), of which some 900,000,000 marks ($214,000,000) are invested in the Transvaal. The success of the German banking institutions in Brazil, Argentina, Chile, and in the Orient is cited. American exporters may find this suggestion worthy of being carried out for the advancement of their own trade interests."

CONVERSION OF THE FRENCH DEBT.

M. Rouvier, the French Minister of Finance, proposes to convert the 3½ per cent. rentes into three per cent. rentes from November 17 next. Holders are to receive a bonus of one per cent. and the prepayment of interest from November 17 to the end of the year. M. Rouvier estimates that the conversion will effect an annual saving of 31,000,000 francs, or about $6,200,000. Notwithstanding this saving the deficit of revenues for next year is expected to be upwards of $23,750,000. It is considered probable that this will not be met by borrowing, but by increased taxation, possibly by a tax on incomes.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report. Names of officers and other particulars regarding these new National banks will be found under the different State headings.

National Banks Organized.

6314—First National Bank, Elmwood Place, Ohio. Capital, $25,000.
6315—Minot National Bank, Minot, North Dakota. Capital, $25,000.
6316—First National Bank, Spring Valley, Minnesota. Capital, $50,000.
6317—City National Bank, Temple, Texas. Capital, $100,000.
6318—First National Bank, Clifton, Illinois. Capital, $25,000.
6319—First National Bank, Enterprise, Alabama. Capital, $50,000.
6320—First National Bank, Floresville, Texas. Capital, $50,000.
6321—First National Bank, Dawson, Minnesota. Capital, $30,000.
6322—First National Bank, Norwood, Ohio. Capital, $100,000.
6323—First National Bank, Paris, Kentucky. Capital, $50,000.
6324—First National Bank, Weleetka, Indian Territory. Capital, $25,000.
6325—Wilmerding National Bank, Wilmerding, Pennsylvania. Capital, $75,000.
6326—Yates Center National Bank, Yates Center, Kansas. Capital, $25,000.
6327—First National Bank, Washburn, North Dakota. Capital, $25,000.
6328—Columbia County National Bank, Benton, Pennsylvania. Capital, $25,000.
6329—First National Bank, Groveton, Texas. Capital, $25,000.
6330—Citizens' National Bank, Springville, New York. Capital, $35,000.
6331—Welcome National Bank, Welcome, Minnesota. Capital, $25,000.
6332—Kingwood National Bank, Kingwood, West Virginia. Capital, $25,000.
6333—Caldwell National Bank, Caldwell, Kansas. Capital, $25,000.
6334—Merchants' National Bank, South Bend, Indiana. Capital, $100,000.
6335—Breckenridge National Bank, Breckenridge, Minnesota. Capital, $25,000.
6336—Third National Bank, Albany, Georgia. Capital, $50,000.
6337—First National Bank, Churchs Ferry, North Dakota. Capital, $25,000.
6338—Gulf National Bank, Beaumont, Texas. Capital, $100,000.
6339—Hot Springs National Bank, Hot Springs, South Dakota. Capital, $25,000.
6340—First National Bank, Meteetse, Wyoming. Capital, $25,000.
6341—First National Bank, Rugby North Dakota. Capital, $25,000.
6342—Taylor National Bank, Campbellsville, Kentucky. Capital, $25,000.
6343—Citizens' National Bank, Harrisonville, Missouri. Capital, $25,000.
6344—First National Bank, Perryopolis, Pennsylvania. Capital, $50,000.
6345—People's National Bank, Wellsville, Ohio. Capital, $100,000.
6346—First National Bank, Frisco, Texas. Capital, $25,000.
6347—Bannock National Bank, Pocatello, Idaho. Capital, $50,000.
6348—Sherburn National Bank, Sherburn, Minnesota. Capital, $25,000.
6349—First National Bank, Pelican Rapids, Minnesota. Capital, $25,000.
6350—First National Bank, Le Raysville, Pennsylvania. Capital, $25,000.
6351—First National Bank, White Plains, New York. Capital, $100,000.
6352—First National Bank, Cass Lake, Minnesota. Capital, $25,000.
6353—Union National Bank, Warren, Ohio. Capital, $100,000.
6354—First National Bank, Monrovia, Indiana. Capital, $25,000.
6355—Continental National Bank, Denver, Colorado. Capital, $300,000.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice:

Merchants' National Bank, Atwood, Ill.; by James E. Morris, *et al.*
First National Bank, Barton, Md.; by Howard C. Dixon, *et al.*
Fort Dallas National Bank, Miami, Fla.; by Wm. Brown, *et al.*
Belmont National Bank, Belmont, Ohio; by J. F. Neff, *et al.*

Farmers & Merchants' National Bank, Hobart, Okla.; by A. H. Bedford, *et al.*
First National Bank, Klemme, Iowa; by E. C. Abbey, *et al.*
First National Bank, Philippi, W. Va.; by Samuel V. Woods, *et al.*
First National Bank, Elkton, S. D.; by W. M. Mall, *et al.*
First National Bank, Conroe, Texas; by D. C. Tharp, *et al.*
First National Bank, Valentine, Neb.; by C. H. Cornell, *et al.*
First National Bank, Cherokee, I. T.; by A. C. Trumbo, *et al.*
First National Bank, Tombstone, Ariz., by T. M. Wingo, *et al.*
National Bank of Koochiching, Minn.; by A. D. Davidson, *et al.*
Citizens' National Bank, Abilene, Texas; by J. M. Wagstaff, *et al.*
Caldwell National Bank, Caldwell, N. J.; by Walter P. Lindsley, *et al.*
First National Bank, Clifton, Texas; by J. W. Butler, *et al.*
First National Bank, Mount Union, Pa.; by Wm. G. Ewing, *et al.*
First National Bank, Chattanooga, Okla.; by Philip Duffy, *et al.*
People's National Bank, Stewartstown, Pa.; by J. M. Wilson, *et al.*
First National Bank, Slippery Rock, Pa.; by W. Henry Wilson, *et al.*
Windom National Bank, Windom, Minn.; by D. U. Weld, *et al.*
First National Bank, Riegelsville, Pa.; by W. D. Beckley, *et al.*
Grove National Bank, Athens, Texas; by W. H. Grove, *et al.*
Citizens' National Bank, Joliet, Ill.; by C. W. Brown, *et al.*
Ferris National Bank, Ferris, Texas, by I. Jolesch, *et al.*
Morgan County National Bank, New Decatur, Ala.; by Wm. A. Bibb, *et al.*
West Baden National Bank, West Baden, Ind.; by Lee W. Sinclair, *et al.*
Irvington National Bank, Irvington, N. Y.; by F. Chichester, *et al.*
First National Bank, Finleyville, Pa.; by G. W. Eisenbeis, *et al.*
First National Bank, New Haven, Pa.; by I. C. Smutz, *et al.*
First National Bank, Orrville, Ohio; by L. J. Alcorn, *et al.*
Merchants' National Bank, Quakertown, Pa.; by John V. Ommeren, *et al.*
National Bank of Fairfax, Va.; by F. R. Ford, *et al.*
Nowata National Bank, Nowata, I. T.; by John T. Wettack, *et al.*
First National Bank, New Rockford, N. D.; by T. L. Beiseker, *et al.*
Clark County National Bank, Clark, S. D.; by R. J. Mann, *et al.*
First National Bank, Globe, Ariz.; by J. N. Porter, *et al.*
Rappahannock National Bank, Washington, Va.; by C. J. Rixey, *et al.*
First National Bank, Spokogee, I. T.; by J. P. Boyle, *et al.*
Clairton National Bank, Clairton, Pa.; by J. H. Klingensmith, *et al.*
Cuyahoga National Bank, Cuyahoga Falls, Ohio; by Orlando Wilcox, *et al.*
Citizens' National Bank, King City, Mo.; by A. G. Bonham, *et al.*
First National Bank, New Salem, N. D.; by Andrew D. Clarke, *et al.*
First National Bank, Steamboat Springs, Colo.; by Charles A. Van Dorn, *et al.*
First National Bank, Dalton, Ohio; by T. C. Hunsicker, *et al.*
First National Bank, Hawley, Pa.; by Victor A. Decker, *et al.*
Citizens' National Bank, Sisseton, S. D.; by S. J. Simonson, *et al.*

Application for Conversion to National Banks Approved.

Albany County Bank, Albany, N. Y.; into Albany County National Bank.
Newcastle State Bank, Newcastle, Neb.; into First National Bank.
City Bank, New Rochelle, N. Y.; into National City Bank.
State Bank, Ivanhoe, Minn.; into First National Bank.
Bank of F. B. Gannon & Co.; Ellendale, N. D.; into First National Bank.
Bank of Mountain Lake, Mountain Lake, Minn.; into First National Bank.

NEW BANKS, BANKERS, ETC.

ALABAMA.

Enterprise—First National Bank; capital, $50,000; Pres., G. H. Malone; Vice-Pres., W. E. Law; Cas., W. D. Hutchison; Asst. Cas., J. W. Malone.

Ozark—Ozark City Bank; Pres., Wm. Garner; Cas., W. D. Martin.

ARIZONA.

Bisbee—Miners and Merchants' Bank; Pres., L. C. Shattuck; Cas., J. T. Hood.

Concho—Apache County Bank (Candelaria Bros).

Douglas—Bank of Douglas; capital, $25,000; Pres., W. H. Brophy; Vice-Pres., J. S. Douglas; Cas., C. O. Ellis.——Douglas City Bank; capital, $50,000; Pres., George Mitchell; Cas., L. C. Hanks.

CALIFORNIA.

Alturas - Bank of E. Lauer & Sons; capital, $100,000; Pres., E. Lauer; Vice-Pres., Marx Lauer; Cas., Benj. Lauer.

Redondo—Farmers and Merchants' Bank; capital, $50,000; Pres., H. W. Hellman.

COLORADO.

DENVER—Continental National Bank; capital, $200,000; Cas., H. J. Alexander.

GEORGIA.

ALBANY—Third National Bank; capital, $50,000; Pres., Morris Weslosky; Cas., F. H. Bates.

IDAHO.

POCATELLO—Bannock National Bank; capital, $50,000; Pres., Lyman Fargo; Cas., George E. Ford.

ILLINOIS.

CHICAGO—Drexel State Bank; capital, $200,000; Pres., H. W. Mahan; Cas., B. M. Kelly. —Merchants' Bank; Pres., S. W. Jacobs; Cas., C. M. Huntoon.

CLIFTON—First National Bank; capital, $25,000; Pres., John C. Gleason; Cas., Alfred L. Morel.

CUBA—State Bank; capital, $5,000; Pres., G. T. Baylor.

LAFAYETTE—Jaynes & Co.; Pres., I. C. Reed; Cas., C. S. Marvin.

TOWER HILL—Tower Hill Bank; Pres., W. E. Walker; Cas., E. G. Foster; Asst. Cas., W. J. Richardson.

WATSEKA—Iroquois County Title and Trust Co.; Pres., F. L. Hooper; E. C. Vanderpoorten and Clark Braden, Managers.

WAYNE CITY—Bank of Wayne City; Cas., Harry H. Clark.

INDIANA.

LOGANSPORT—A. T. Bowen & Co.; Cas., G. A. Raub.

MONROVIA—First National Bank; capital, $25,000; Pres., William C. Osborne; Cas., Nathan E. Hubbard.

SOUTH BEND—Merchants' National Bank; capital, $100,000; Pres., James M. De Rhodes; Cas., Kersey C. DeRhodes.

INDIAN TERRITORY.

WELEETKA—First National Bank; capital, $25,000: Pres., Wm. G. Cathcart; Cas., Geo. Clarkson.

IOWA.

BROOKS—W. S. Hefling; Cas., H. M. Hefling; Asst. Cas., F. W. Ehred.

GARDEN CITY—Farmers' Bank; Pres., A. N. Drake; Vice-Pres., R. B. Ballard; Cas., A. Ray Johnson.

GENEVA—Geneva Savings Bank; capital, $10,000; Pres., J. T. Dalby; Vice-Pres. and Cashier, D. G. Wiley.

LOHRVILLE—Commercial Bank; Pres., D. A. Evans; Cas., G. W. Evans.

MILFORD—Farmers' Savings Bank; capital, $10,000; Pres., P. Rasmussen; Vice-Pres., C. Forstensan; Cas., H. S. Abbott.

ODEBOLT—German Bank; capital, $25,000; Pres., J. N. Schmitz; Cas., A. J. N. Schmitz; Asst. Cas., A. F. P. Schmitz.

SALIX—Fortin's Bank.

SIBLEY—Sibley Savings Bank; capital, $20,000; Pres., W. M. Smith; Cas., Alfred Morton.

WALLINGFORD—Farmers' Savings Bank; (successor to Bank of Wallingford); capital, $15,000; Pres., James Refsell; Cas., O. O. Anderson.

WASHTA—Farmers' Bank; Pres., F. S. Barnes; Cas., M. McGregor.

WATERVILLE—Waterville Savings Bank; Pres., O. J. Hager; Cas., W. F. Nierling.

KANSAS.

CALDWELL—Caldwell National Bank; capital, $25,000; Pres., T. E. Neal; Vice-Pres., Ira E. Swain; Cashier, M. M. Fulkerson.

HARPER—Security State Bank; capital, $7,500; Pres., S. E. Martin; Cas., John G. Parker, Jr.

YATES CENTER—Yates Center National Bank (successor to Yates Center Bank); capital, $25,000; Pres., H. H. Winter; Vice-Pres., Levi Robbins; Cas., L. M. Beck.

KENTUCKY.

BOSTON—Boston Banking Co.: Pres., A. L. Harned; Cas., Roy C. Smith.

CAMPBELLSVILLE—Taylor National Bank; capital, $25,000; Pres., D. W. Gowdy; Cas., G. H. Gowdy.

HARDYVILLE—Hardyville Deposit Bank; capital, $15,000; Pres., J. L. Bale; Vice-Pres., Ben L. Bruner; Cas., G. P. Powell.

PARIS—First National Bank; capital, $50,000; Pres., Claude M. Thomas; Cas., James McClure.

WAVERLY—Bank of Waverly (successor to Branch Bank of Uniontown); capital, $15,000; Pres., B. J. Austin; Cas., W. T. Barker.

MICHIGAN.

GRAND LEDGE—Citizens' Bank; capital, $25,000; Pres., D. H. Power; Cas., B. R. Moore.

HESPERIA—Citizens' Bank; Pres., W. A. Arms; Cas., F. J. Miller; Asst. Cas., F. C. Miller.

ITHACA—Commercial State Bank; capital, $30,000; Pres., James B. Crawford.

MINNESOTA.

BALATON—Citizens' State Bank; Pres., G. A. Tate; Cas., A. J. Rush.

BRECKENRIDGE—Breckenridge National Bank; capital, $25,000; Pres., John Grove; Vice-Pres., Arthur McConville; Cas., S. D. Balch.

CASS LAKE—First National Bank; capital, $25,000; Pres., A. F. Ferris; Cas., H. E. Reed.

DAWSON—First National Bank (successor to Commercial Bank); capital, $30,000; Pres., S. Christopherson; Cas., C. H. Sullivan.

MILROY—State Bank; capital, $15,000; Pres., Wm. Biermon; Cas., Thomas F. Kinman.

ORTONVILLE—Chrisman & Wells; capital, $20,000; Pres., H. Chrisman; Cas., R. M. Wells; Asst. Cash., Charles P. Carl.

PELICAN RAPIDS—First National Bank (successor to Riverside Bank); capital, $25,000; Pres., P. M. Joice; Cas., O. F. Ulland.

SHERBURN—Sherburn National Bank (successor to Sherburn State Bank); capital, $25,000; Pres., A. L. Ward; Cas. C. E. Landin.

SILVER LAKE—State Bank (successor to Bank of Silver Lake); capital, $10,000; Pres., Wm. Davidson; Cas., Francis H. Hawlik.

SPRING VALLEY—First National Bank; capital, $50,000; Pres., W. P. Tearse; Cas., J. H. Davis, Sr.; Asst. Cas., H. H. Steffens.

WELCOME—Welcome National Bank (successor to Welcome State Bank); capital, $25,000; Pres., A. L. Ward; Cas. A. W. Gamble.

MISSISSIPPI.

INDIANOLA—Bank of Indianola; capital, $100,000; Pres., A. F. Gardner; Cas., W. F. Phipps.

VICKSBURG—Vicksburg Savings Bank; capital, $50,000; Pres., Percy A. Cowan; Treas., W. Thomas Rose.

MISSOURI.

AUGUSTA—Bank of Augusta—capital, $10,000; Pres., Carl Wencker; Cas., Ernst Robyn.

EWING—Bank of Ewing; capital, $10,000; Pres., J. P. Frame; Cas., H. B. Garnett.

HARRISONVILLE—Citizens' National Bank; capital, $25,000; Pres., Noah M. Givan; Cas., Charles E. Allen.

HAYTI—Bank of Hayti; capital, $10,000; Pres., J. L. Dorris; Cas., G. M. Gwinn.

NAPOLEON—Napoleon Bank; capital, $10,000; Pres., John Strodtman; Cas., J. A. Woestemeyer.

ORRICK—Bank of Orrick; capital, $20,000; Pres., W. R. Kendall; Cas., W. M. Allison.

NEBRASKA.

HOWELL—Howells State Bank; capital, $15,000; Pres., F. J. Busch; Cas., E. Quesner.

LINCOLN—Bank of Commerce; capital, $50,000; Pres., M. Weil; Cas., M. I. Aitken; Asst. Cas., Carl Weil.

MURDOCK—Bank of Murdock (successor to German Bank); capital, $10,000; Pres., F. Wolf; Vice-Pres., Henry A. Tool; Cas., Chas. F. Guthman.

PONCA—Citizens' State Bank; capital, $25,000; Pres., S. P. Mikesell; Cas., W. P. Logan; Asst. Cas., J. V. Pearson.

SCOTIA—Bank of Scotia; capital, $5,000; Pres., H. D. Coe; Cas., Clarence Coe.

TRENTON—Collett State Bank (successor to Trenton State Bank); capital, $5,000; Pres., W. R. Collett; Cas., W. S. Collett; Asst. Cas., E. Hall.

NEW JERSEY.

EAST ORANGE—Essex County Trust Co. (successor to East Orange National Bank); capital, $200,000; Pres., Aaron Adams; Treas., O. H. Condit.

NEW YORK.

FREDONIA—Citizens' State Bank; capital, $50,000; Pres., H. M. Swetland; Cas., E. M. Corey.

NEW YORK—Royal Bank; capital, $100,000; Pres., Philip Sugerman; Vice-Pres., Mark H. Sugerman; Cas., C. Cyrus Straat.—Windsor Trust Co.—Hamilton Bank (branch), Seventh Ave. and 135th St.

SPRINGVILLE—Citizens' National Bank; capital, $25,000; Pres., H. Curtis; Cas., F. H. Furman.

WHITE PLAINS—First National Bank (successor to White Plains Bank); capital, $100,000; Pres., David Cromwell; Cas., Charles L. Prigge.

WYOMING—Wyoming Banking Co.; Pres., F. J. Humphrey; Cas., Charles J. Cheeny.

NORTH DAKOTA.

CHURCHS FERRY—First National Bank; capital, $25,000; Pres., A. O. Whipple.

FARGO—Northern Trust Co.; capital, $100,000; Pres., F. F. Marshall; Vice-Pres., Ed. Pierce; Treas., G. H. Hollister.

MINOT—Minot National Bank (successor to Security State Bank); capital, $25,000; Pres., Herman J. Haskamp; Cas., Jacob A. Erickson.

PISEK—State Bank; capital, $5,000; Pres., D. H. Beecher; Cas., C. J. McKean.

RICHBURG—Bank of Richburg; Pres., E. W. Page; Cas., J. L. Page.

RUGBY—First National Bank; capital, $25,000; Pres., F. W. Wilder; Cas., A. H. Jones.

WASHBURN—First National Bank; capital, $25,000; Pres., George L. Robinson; Cas., Franklin E. Funk.

OHIO.

ELMWOOD PLACE—First National Bank; capital, $25,000; Pres., Geo. E. Pfau; Cas., A. L. Pope.

NORWOOD—First National Bank; capital, $100,000; Pres., O. H. L. Wernicke; Cas., Thomas McEvilley.

TOLEDO—Mechanics' Savings Bank; capital, $25,000; Pres., F. C. Strulz; Cas., H. E. French.

WARREN—Union National Bank; capital, $100,000; Pres., Thomas H. Gillmer; Cas., E. D. Kennedy.

WELLSVILLE—People's National Bank; capital, $100,000; Pres., P. F. Smith; Cas., H. B. Nicholson.

OKLAHOMA.

HASTINGS—Bank of Hastings; capital, $5,000; Pres., J. A. Smith; Cas., A. R. Arnold.

SHAWNEE—Bank of Commerce; capital, $25,000; Pres., W. H. Mead; Cas., C. D. Rorer.

PENNSYLVANIA.

BENTON—Columbia County National Bank; capital, $25,000; Pres., John G. McHenry;

Cas., Alfred McHenry; Asst. Cas., Roy Edgar.

KITTANNING—Armstrong County Trust Co.; capital, $125,000; Pres., W. D. Patton; Cas., G. M. Hill.

LE RAYSVILLE—First National Bank; capital, $25,000; Cas., J. F. Haigh.

MERCER—Mercer County Trust Co. (successor to Mercer County National Bank); capital, $225,000; Pres., James D. Emery; Cas., Lyle W. Orr.

PERRYOPOLIS—First National Bank (successor to Perryopolis Banking Co.); capital, $50,000; Pres., M. M. Cochran; Cas., Howard Adams.

PITTSBURG—Union Savings Bank; capital, $1,000,000; Pres., H. C. McEldowney; Cas., R. V. Hays.

WILMERDING—Wilmerding National Bank; capital, $75,000; Pres., H. L. Greer; Cas., A. W. Hecker.

SOUTH DAKOTA.

BRITTON—Marshall County Bank; capital, $10,000.

HOT SPRINGS—Hot Springs National Bank; capital, $25,000; Pres., E. S. Kelly; Cas., W. W. Stewart.

TEXAS.

BEAUMONT—Gulf National Bank; capital, $100,000; Pres., Thomas H. Langham; Vice-Pres., W. B. Dunlap; Cas., A. L. Williams; Asst. Cas., H. D. Fletcher.

DICKENS- Bank of Dickens; Cas., R. D. Shields.

FLORESVILLE—First National Bank; capital, $50,000; Pres., John Griffith; Cas., J. H. Brown.

FRISCO—First National Bank; capital, $25,000; Pres., Ed. Rodgers; Cas., H. W. Gee.

GROVETON—First National Bank; capital, $25,000; Pres., Geo. W. Riddle; Cas., L. R. Fife.

MILES—Meineke Banking Co.; capital, $7,000; Pres., G. Meineke; Cas., S. W. Meineke.

TEMPLE—City National Bank; capital, $100,000; Pres., Chas. M. Campbell; Vice-Pres., A. J. Jarrell; Cas., W. S. Rowland; Asst. Cas., C. B. Wade.

TIOGA—Tioga Bank; capital, $10,000.

WHARTON—Wharton National Bank; capital, $30,000; Pres., H. J. Bolton; Cas., Charles W. Leesemann.

VIRGINIA.

EASTVILLE—L. E. Mumford Banking Co.

LEBANON—Citizens' Bank; capital, $26,000; Pres., Henry C. Stuart; Cas., S. H. Fletcher.

WASHINGTON.

EVERETT—Everett Trust and Savings Bank; capital, $25,000; Pres., W. J. Bucker; Cas., Robert Moody.

NORTH YAKIMA—Yakima Valley Bank; capital, $75,000; Pres., Miles Cannon; Cas., Stanley Coffin; Asst. Cas., Duncan Stewart.

WEST VIRGINIA.

KINGWOOD—Kingwood National Bank; capital, $25,000; Pres., Ira E. Robinson.

WELLSBURG—Wellsburg Banking and Trust Co. (successor to Bank of Wellsburg); capital, $100,000; Pres., S. George; Cas., C. R. Windsor.

WISCONSIN.

COLOMA — People's Bank; capital, $2,500; Pres., Vilas Follett; Vice-Pres., L. Starks; Cas., R. C. Stuart.

WYOMING.

METEETSE—First National Bank; capital, $25,000; Pres., W. T. Hoag; Cas., W. Dean Hays.

CANADA.

BRITISH COLUMBIA.

VICTORIA—Imperial Bank of Canada.

MANITOBA.

ALTONA—Union Bank of Canada.

NEW BRUNSWICK.

ANDOVER—People's Bank of Halifax; J. G. Dickinson, Act. Mgr.

NORTHWEST TERRITORY.

LACOMBE—Merchants' Bank of Canada; R. F. Taylor, Mgr.

MEDICINE HAT—Union Bank of Canada.

WETASKIWIN—Imperial Bank of Canada.

NOVA SCOTIA.

GRANVILLE FERRY—Bank of Nova Scotia.

ONTARIO.

AMHERSTBERG—Sovereign Bank of Canana.

EXETER—Sovereign Bank of Canada.

MT. ALBERT—Sovereign Bank of Canada.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

BIRMINGHAM—First National Bank; W. P. G. Harding, Pres. in place of N. E. Barker; J. H. Barr, Vice-Pres. in place of W. P. G. Harding; W. W. Crawford, Cas. in place of J. H. Barr; A. R. Forsyth, Asst. Cas. in place of W. W. Crawford.

GADSDEN—First National Bank; Charles A. Lyerly, Pres. in place of S. W. Riddle; T. S. Kyle, Vice-Pres. in place of C. D. Alexander; R. V. Davidson, Cas.

ARKANSAS.

ENGLAND—Bank of England; capital increased to $25,000.

CALIFORNIA.

LONG BEACH—Bank of Long Beach; Frank McCutchen, Asst. Cas. in place of Geo. H. Bixby.

LOS ANGELES—Merchants' National Bank; Newman Essick, Asst. Cas.——Central

Bank; Wm. Mead, Pres. in place of R. M. Baker; J. B. Gist, Asst. Cas.

PETALUMA—Wickersham Banking Co.; Thos. Maclay, Pres.; B. W. Paxton, Vice-Pres.

COLORADO.

BOULDER—National State Bank; W. S. Bellman, Cas. in place of J. H. Nicholson; W. M. Buckingham, Asst. Cas.

DENVER—First National Bank; capital increased from $500,000 to $1,000,000; surplus and profits increased from $500,000 to $1,000,000.

PUEBLO—Mercantile National Bank; W. S. McNamara and T. M. Hill, Asst. Cashiers.

CONNECTICUT.

HARTFORD—American National Bank; J. H. King, Pres. in place of Rowland Swift, deceased; no Cas. in place of J. H. King; Wm. J. Dixon, Asst. Cas.

NEW HAVEN—National New Haven Bank; Frank D. Towbridge, Cas. in place of Robt. I. Couch, deceased; Edward E. Mix, Asst. Cas.

NEW LONDON—National Bank of Commerce; Henry R. Bond, Pres. in place of Charles Barnes, deceased.

ROCKVILLE—People's Savings Bank; Geo. M. Paulk, Pres., deceased.

STAMFORD—Citizens' Savings Bank; Wm. D. Smith, Pres.

FLORIDA.

APALACHICOLA—First National Bank; Sol Brash, Vice-Pres.; F. B. Wakefield, Cas. in place of Dan O'Feal.

ILLINOIS.

COLLINSVILLE—First National Bank; Wm. Fletcher, Pres. in place of James H. Belt; Wm. G. Burroughs, Vice-Pres. in place of Wm. Fletcher; no Cashier in place of Harold R. Woodcock.

KANKAKEE—First National Bank and Bank of Legris Bros. & Fraser; consolidated under former title.

PEORIA—Illinois National Bank; capital increased to $200,000.

FAIRBURY—Fairbury Bank; L. B. Dominy, deceased.

INDIANA.

BLOOMINGTON—Monroe Co. State Bank; Hiram E. Wells, Pres., deceased.

LAFAYETTE—Lafayette Loan and Trust Co.; capital increased to $125,000.

IOWA.

ANTHON—Anthon State Bank; capital increased to $25,000.

MONTEZUMA—First National Bank; John Hall, Jr., Pres. in place of Thomas Harris; E. D. Rayburn, Cas. in place of John Hall, Jr.; no Asst. Cas. in place of E. D. Rayburn.

OAKLAND—Citizens' State Bank; W. W. McRory, Cas. in place of E. F. Wentz, resigned.

POCAHONTAS—First National Bank; W. D. McEwen, Vice-Pres.; James Bruce, Asst. Cas.

WESLEY—First National Bank; Stitzel X. Way, Pres. in place of Nathan Studer; Theo. Doerfler, Cas. in place of Stitzel X. Way.

WEST UNION—Fayette County National Bank; Frank Camp, Cas. in place of E. B. Shaw.

KANSAS.

FORT SCOTT—Citizens' National Bank; C. C. Nelson, Pres. in place of C. W. Goodlander, deceased.

HAVENSVILLE—First National Bank; Grace Morgan, Asst. Cas. in place of S. H. Stockwell.

KANSAS CITY—Commercial National Bank; A. C. Fasenmeyer, Vice-Pres.; J. A. Hirst, Second Vice-Pres.; Elbert F. Neal, Asst. Cas.

KINGMAN—First National Bank; Edward McKenna, Vice-Pres. in place of H. Billings; Clyde Murphy, Asst. Cas. in place of D. Billings.

STERLING—First National Bank; T. J. English, Cas. in place of C. Hawkins, no Asst. Cas. in place of T. J. English.

KENTUCKY.

MADISONVILLE—Kentucky Bank and Trust Co.; Press Ross, Cas. in place of W. B. Smith.

MARYLAND.

RISING SUN—Rising Sun National Bank; Harry R. Richards, Asst. Cas.

MASSACHUSETTS.

BOSTON—Boylston National Bank; Edward A. Church, Cas. in place of D. S. Waterman; H. B. Bailey, Asst Cas. in place of Edward A. Church.

BARRE—First National Bank; C. H. Follansby, Pres. in place of Nathan L. Johnson, deceased.

PEPPERELL—First National Bank; Chas. S. Denham, Pres. in place of Henry F. Tarbell; E. E. Tarbell, Vice-Pres. in place of Chas. S. Denham; no Vice-Pres. in place of A. H. Eastman; H. F. Tarbell, Cas. in place of F. W. Fuller.

PITTSFIELD—Pittsfield National Bank; Geo. H. Tucker, Cas. in place of Henry A. Brewster.

WHITMAN—Whitman Savings Bank; Geo. D. Alden, Treas. in place of Horace Reed.

MINNESOTA.

EAGLE BEND—First National Bank; Wm. S. Lee, Asst. Cas.

NEW PAYNESVILLE—Bank of Paynesville; C. W. Hastings, Pres.; Linwood Foster, Cas.; Henry Holifor, Asst. Cas.

So. ST. PAUL—Stock Yards Bank; capital increased to $25,000; Cas. W. E. Briggs.

WINONA—First National Bank; O. M. Green, Asst. Cas.

MISSISSIPPI.

BROOKHAVEN—Commercial Bank; L. H. Bagett, Asst. Cas. in place of F. Becker.

MOUNT OLIVE—Mount Olive Bank; A. W. Evans, Asst. Cas.

WINONA—Citizens' Bank; H. M. Romberger, Cas.

MISSOURI.

DREXEL—Inter-State Bank; capital increased to $25,000.

MOBERLY—Mechanics' Savings Bank; capital increased to $50,000.

MONTANA.

HELENA—National Bank of Montana; W. H. Dickinson, Cas. in place of T. C. Kurtz; no Asst. Cas. in place of W. H. Dickinson.

NEBRASKA.

ADAMS—State Bank; capital increased to $15,000.

GOTHENBURG—Gothenburg National Bank; T. B. Garrison, Sr., Vice-Pres.; T. B. Garrison, Jr., Cas.; D. W. Hanna, Asst. Cas.

GRAND ISLAND—First National Bank; S. D. Ross, Asst. Cas.

GREELEY—Greeley State Bank; capital increased to $30,000.

MILFORD—Nebraska State Bank; capital increased to $13,000.

MILLIGAN—Farmers' State Bank; title changed to Nebraska State Bank.

NEW HAMPSHIRE.

GORHAM—Gorham National Bank; A. W. Fuller, Pres. in place of C. H. Hatch.

NEW JERSEY.

CAMDEN—Camden Safe Deposit and Trust Co.; Joseph Lippincott, Treas. in place of George W. Wakefield, deceased.

DOVER—Dover Trust Co.; Isaac W. Searing, Pres. in place of James H. Simpson.

EAST ORANGE—Essex County Savings Bank; reported absorbed by Essex County Trust Co.

NEWARK—Union National Bank; William Scheerer, Pres. in place of Franklin Conklin; Leslie D. Ward and U. H. McCarter, Vice-Presidents in place of J. A. Lebuecher; A. Haefeli and E. D. Farnsworth, Asst. Cashiers.

WASHINGTON—Washington National Bank; Wm. Blair Titman, Pres., deceased.

NEW MEXICO.

CARLSBAD—First National Bank; no Cas. in place of Benjamin Sherrod; A. A. Beeman, Asst. Cas.

RATON—Citizens' Bank; capital increased to $50,000.

NEW YORK.

ALBANY—National Commercial Bank; capital increased to $500,000.

BUFFALO—German Bank; Wm. P. Luedeke, Asst. Cas.

MALONE—Farmers' National Bank; B. R. Shears, Asst. Cas., resigned.

NEWARK—First National Bank; capital increased to $100,000; surplus, $20,000.

NEW YORK—Leather Manufacturers' National Bank; Frank O. Roe, Cas. in place of G. W. McGarrah; A. H. Voorhis, Asst. Cas. in place of Frank O. Roe.——New York Savings Bank; Cornelius W. Brinckerhoff, Asst. Sec'y, deceased.——Bank for Savings; Wm. G. White, Controller, deceased.——Citizens' Savings Bank; Charles W. Held, Sec'y, deceased.——Lawyers' Surety Co.; capital reduced to $200,000; John R. Bland, Pres.; Andrew Freedman and S. J. O'Sullivan, Vice-Presidents; G. R. Collis, Sec'y; Walter C. Schryber, Treas.——National Exchange Bank; Frank S. Hyatt, Vice-Pres., resigned.——Irving Savings Institution; Joseph Rogers, Vice-Pres., deceased.——Equitable National Bank; James M. Bell, Pres. in place of Cornelius Van Cott; Carl R. Schultz, First Vice-Pres.; John Caraway, Second Vice-Pres.; James S. O'Neale, Cas.——Merchants' Exchange National Bank; John I. Cole, Asst. Cas.——Schafer Bros.; Simon Schafer, deceased.——Mutual Bank; Langley W. Wiggin, Cas.

BROOKLYN—Manufacturers' National Bank; William Frazier Garrison, Vice-Pres., deceased.——Hamilton Trust Co.; Wm. Heath Lyon, Vice-Pres., deceased.

SCHENECTADY—Schenectady Trust Co.; capital increased to $250,000.

SYRACUSE—Onondaga County Savings Bank; Geo. B. Kent, Vice-Pres., deceased.

WILLIAMSON—R. M. Cheetham & Co.; title changed to Cheetham & Transen.

NORTH CAROLINA.

CHARLOTTE—Southern States Trust Co.; George Stephens, Pres. in place of F. C. Abbott; T. S. Franklin, Vice-Pres.

NORTH DAKOTA.

CARRINGTON—Foster County State Bank; capital increased to $25,000.

OHIO.

BELLEFONTAINE—Bellefontaine National Bank; E. M. Smith, Asst. Cas.

BOWLING GREEN—First National Bank; John R. Hankey, Pres., deceased.

CINCINNATI—First National Bank; W. S. Rowe, Pres. in place of L. B. Harrison, deceased.

FINDLAY—Farmers' National Bank; Ralph W. Moore, Cas. in place of J. G. Hull, deceased; C. W. Shireman, Asst. Cas.

GALLIPOLIS—First National Bank; J. A. Miller, Cas. in place of W. G. Wheaton.

NILES—City National Bank; capital increased to $100,000.

OKLAHOMA.

BILLINGS—First National Bank; D. C. Frazier, Pres. in place of F. N. Winslow; R. F. Howe, Vice-Pres. in place of D. C. Frazier; W. D. Bowling, Cas. in place of C. B. Winsborough.

HOBART—Kiowa State Bank; capital increased to $25,000.

KINGFISHER—Kingfisher National Banh: E. F. Wentz, Cas. in place of G. A. Nelson.

PENNSYLVANIA.

BEAVER FALLS—Farmers' National Bank; Walter G. Bert, Asst. Cas.

BLOOMSBURG—Farmers' National Bank; J. N. Thompson, Cas. in place of A. H. Bloom.

ERIE—First National Bank; J. L. Sternberg, Vice-Pres.: John R. McDonald, Cas. in place of J. L. Sternberg; no Asst. Cas. in place of John R. McDonald.

MCKEES ROCKS—First National Bank; E. C. Klimman, Pres. in place of Chas. Holmes; John Yunker, Vice-Pres. in place of John Hayes; no Second Vice-Pres. in place of John Yunker.

MIDDLEBURGH—First National Bank; James G. Thompson, Cas. in place of J. N. Thompson.

PHILADELPHIA — Fourth Street National Bank; R. H. Rushton, Pres. in place of Sydney F. Tyler, resigned; James Potts, Vice-Pres. in place of R. H. Rushton.—Union National Bank; W. H. Thompson, Asst. Cas.—Guarantee Trust and Safe Deposit Co.; Howard E. Young, Sec'y in place of John J. Gilroy; Joseph E. Borden, Asst. Sec'y.

PITTSBURG—Union Realty Trust Co.; A. M. Irwin, Treas. in place of E. V. Hayes, resigned.

SHARON—Sharon Savings and Trust Co.; capital increased to $300,000; surplus increased to $60,000.

WAYNESBURG — American National Bank; capital increased to $100,000.

WILKES-BARRE—Luzerne County Trust Co.: A. H. Bloom, Treas.

SOUTH CAROLINA.

BEAUFORT—Bank of Beaufort; William H. Lockwood, Pres., deceased.

SPARTANBURG—Bank of Spartanburg; H. R. Black, Pres. in place of James T. Harris; J. T. Harris, Vice-Pres. in place of J. T. Calvert.

UNION—Merchants and Planters' National Bank; J. D. Arthur, Cas. in place of Geo. Munroe; no Asst. Cas. in place of J. D. Arthur.

SOUTH DAKOTA.

ABERDEEN — First National Bank; J. H. Jackson, Vice-Pres. in place of J. H. Suttle; F. G. Suttle, Asst. Cas.

DEADWOOD—American National Bank; Wm. Selbie, Pres. in place of Harris Franklin; N. E. Franklin, Cas. in place of Wm. Selbie.—First National Bank; Harris Franklin, Pres. in place of O. J. Salisbury.

GEDDES—Charles Mix County Bank; W. E. Heaton, Cas. in place of W. W. Sparks.

TENNESSEE.

BRISTOL—National Bank of Bristol; capital increased to $100,000.

SHELBYVILLE—People's National Bank; J. M. Shofner, Pres. in place of N. P. Evans, resigned.

TULLAHOMA—First National Bank; F. A. Raht, Pres. in place of J. D. Raht.

TEXAS.

ALVARADO — First National Bank; John Bohrer, Pres. in place of M. Sansom; H. E. Linn, Asst. Cas. in place of W. C. Glasgow.

BONHAM—First National Bank; A. B. Scarborough, Pres. in place of S. B. Allen; Zac Smith, Vice-Pres. in place of A. B. Scarborough.

BRYAN—First National Bank; F. M. Law, Jr., Asst. Cas.

CENTER—First National Bank; F. M. Gardner, Jr., Asst. Cas. in place of L. H. Baker.

COMMERCE—Commerce National Bank; J. D. Jernigin, Cas. in place of B. L. Thompson; no Asst. Cas. in place of J. D. Jernigin.

DEL RIO—First National Bank; M. L. Oppenheimer, Pres. in place of Louis Lindheim.

GRANBURY—City National Bank; John J. Hiner, Pres. in place of T. H. Hiner.

LOCKHART—Lockhart National Bank; Geo. W. Baker, Asst. Cas. in place of Charles W. Leesmann.

SAN ANTONIO—City National Bank; A. F. Kerr, Asst. Cas.

TAYLOR—First National Bank: John W. Kelly, Pres. in place of C. H. Welch; Francis Horace Welch, Second Vice-Pres.

TEMPLE—Temple National Bank; N. A. Sayre, Asst. Cas. in place of W. S. Rowland.

THROCKMORTON—First National Bank; W. T. Andrews, Pres. in place of E. P. Davis; W. R. King, Vice-Pres. in place of W. T. Andrews.

UTAH.

SALT LAKE CITY—Wells-Fargo Bank; H. L. Miller, Asst. Cas. in place of H. T. Duke.

VERMONT.

BURLINGTON—Merchants' National Bank; H. W. Allen, Vice-Pres. in place of Torrey E. Wales, deceased.

VIRGINIA.

BLACKSTONE—Farmers' Bank; Irby Moncure, Cas. in place of W. H. Bridgeforth.

HARRISONBURG—First National Bank; C. H. Chandler, Asst. Cas.

PETERSBURG—The National Bank; Simon Seward. Pres. in place of B. B. Vaughn.

WASHINGTON.

MOUNT VERNON—First National Bank: E. C. Million, Pres. in place of Chas. H. Lyon.

SEATTLE-Canadian Bank of Commerce; Percy G. Stevenson, Mgr.

WEST VIRGINIA.

GRAFTON—Grafton Bank; C. R. Durbin, Pres. in place of John Sheridan; H. W. Chadduck, Cas. in place of C. R. Durbin; C. A. Cole, Asst. Cas.

HUNTINGTON—First National Bank; M. J. Ferguson, Asst. Cas. in place of Robert L. Archer; no Second Asst. Cas. in place of M. J. Ferguson.

SISTERSVILLE—Farmers and Producers' National Bank; Jno. Kinkaid, Asst. Cas.

WHEELING—National Exchange Bank; Wm. Ellingham, Vice-Pres. in place of John Frew; C. W. Jeffers, Asst. Cas. in place of W. B. Irwin.

WISCONSIN.

BENTON—Benton State Bank; Wm. B. Vail, Cas. in place of Joseph Buchow.

CANADA.

ONTARIO.

BRAMPTON—Dominion Bank; E. B. Anderson, Mgr. in place of M. E. Holden.

HUNTSVILLE—Dominion Bank; Frederick Dallas, Mgr.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

INDIANA.

LAFAYETTE—Perrin National Bank; in voluntary liquidation July 1.

MICHIGAN.

DETROIT—Preston National Bank; in voluntary liquidation June 17.

NEW JERSEY.

EAST ORANGE—East Orange National Bank; in voluntary liquidation June 30.

NEWARK—Newark City National Bank; in voluntary liquidation May 12.

NEW YORK.

BUFFALO—Empire State Savings Bank.

WHITEHALL—Old National Bank; in voluntary liquidation July 1.

PENNSYLVANIA.

ALLEGHENY—Third National Bank; in voluntary liquidation July 1.

BEAVER—Beaver National Bank; in voluntary liquidation June 30.

BELLEVUE—Bellevue National Bank; in voluntary liquidation June 30.

PITTSBURG—Citizens' National Bank; in voluntary liquidation June 23.

TENNESSEE.

CHATTANOOGA—Third National Bank; in voluntary liquidation July 1.

New York Trust Companies.

	July 1, 1902.	*July 1, 1901.*	*January 1, 1902.*
RESOURCES.			
Bonds and mortgages	$49,335,064	$43,862,482	$45,483,011
Stock investments	218,806,182	209,624,054	190,822,965
Loaned on collaterals	608,436,621	537,040,175	540,208,706
Loaned on personal securities	48,523,130	42,524,584	41,907,300
Overdrafts	34,201	74,234	52,290
Due from banks and brokers	2,850,435	2,594,287	5,978,925
Real estate	11,504,501	10,667,196	10,747,441
Cash on deposit	118,496,675	107,368,854	111,187,095
Cash on hand	10,481,712	8,814,223	9,858,702
Other assets	14,754,211	13,958,304	13,147,208
Total resources	$1,078,212,685	$966,528,396	$969,398,644
LIABILITIES.			
Capital stock	$53,225,000	$47,450,000	$49,125,000
Surplus fund	70,887,185	76,743,013	64,796,907
Undivided profits	42,828,463	21,648,715	30,882,284
Deposits in trust	120,581,968	366,629,844	352,218,123
General deposits	766,419,729	435,888,252	440,718,602
Other liabilities	24,210,339	18,168,573	22,657,728
Total liabilities	$1,078,212,685	$966,528,398	$969,393,644
SUPPLEMENTAL.			
Profits, six months	$26,470,819	$22,159,857	$44,973,188
Interest paid, six months	10,920,813	8,954,350	18,878,383
Expenses, six months	3,046,892	2,718,251	5,917,142
Dividends, six months	3,924,000	3,068,000	6,306,000
Deposits with intererest	822,613,619	784,880,766	721,614,436
Invested in bond and mortgage, six months	35,367,120	29,828,352	56,480,418
Mortgages paid or sold, 6 months	31,528,665	26,610,666	51,726,242

NATIONAL BANK RETURNS—RESERVE CITIES.

By the courtesy of the Comptroller of the Currency at Washington, the BANKERS' MAGAZINE has been favored with the complete returns of the National banks in all the reserve cities, at the date of the call on July 16, 1902. These are published below in conjunction with the two preceding statements of February 25, 1902, and April 30, 1902. In this form the figures become much more valuable by reason of the comparison. The complete returns of National banks in the reserve cities are published in the BANKERS' MAGAZINE exclusively.

NEW YORK CITY.

RESOURCES.	*Feb. 25, 1902.*	*Apr. 30, 1902.*	*July 16, 1902.*
Loans and discounts	$670,858,313	$663,926,476	$619,975,434
Overdrafts	245,916	413,922	354,427
U. S. bonds to secure circulation	32,360,000	32,237,000	33,635,000
U. S. bonds to secure U. S. deposits	38,023,370	39,583,500	39,788,000
U. S. bonds on hand	598,020	601,760	871,710
Premiums on U. S. bonds	2,437,876	3,852,387	3,182,693
Stocks, securities, etc	85,689,380	87,962,944	90,778,960
Banking house, furniture and fixtures	16,800,505	17,084,306	17,396,065
Other real estate and mortgages owned	1,268,472	2,088,592	2,351,972
Due from National banks (not reserve agents)	40,258,786	44,747,332	45,691,704
Due from State banks and bankers	5,063,440	5,271,087	5,926,638
Due from approved reserve agents	......	......	......
Checks and other cash items	2,707,244	7,589,955	4,660,028
Exchanges for clearing-house	130,888,297	211,654,531	177,188,471
Bills of other National banks	842,337	1,267,763	1,180,317
Fractional paper currency, nickels and cents	75,329	80,279	76,748
*Lawful money reserve in bank, viz.:			
Gold coin	4,812,460	5,552,782	4,474,720
Gold Treasury certificates	80,962,140	62,620,010	61,290,590
Gold clearing-house certificates	75,588,000	71,925,000	69,160,000
Silver dollars	81,204	80,015	81,863
Silver Treasury certificates	15,573,001	18,958,818	20,993,004
Silver fractional coin	657,885	707,124	807,369
Legal-tender notes	49,793,512	48,880,391	52,478,693
U. S. certificates of deposit for legal-tender notes	......	......	......
Five per cent. redemption fund with Treasurer	1,599,547	1,604,347	1,653,307
Due from U. S. Treasurer	1,093,574	1,074,784	221,161
Total	$1,257,718,614	$1,298,760,083	$1,255,163,901

LIABILITIES.			
Capital stock paid in	$74,266,000	$74,600,000	$90,600,000
Surplus fund	54,303,640	54,396,450	63,520,000
Undivided profits, less expenses and taxes paid	33,479,782	34,959,929	35,158,471
National bank notes issued, less amount on hand	31,244,115	31,156,687	31,947,787
State bank notes outstanding	16,542	16,542	16,543
Due to other National banks	230,143,382	262,014,255	265,914,766
Due to State banks and bankers	192,441,139	190,427,783	180,191,811
Dividends unpaid	63,494	379,858	125,286
Individual deposits	543,707,055	600,393,724	537,304,138
U. S. deposits	36,060,187	39,246,290	39,343,320
Deposits of U. S. disbursing officers	367,132	289,007	362,540
Notes and bills rediscounted	....	....	....
Bills payable	....	....	....
Liabilities other than those above stated	11,626,142	10,879,554	10,679,237
Total	$1,257,718,614	$1,298,760,083	$1,255,163,901
Average reserve held	26.14 p. c.	25.85 p. c.	26.63 p. c.
* Total lawful money reserve in bank	$227,468,203	$208,719,090	$209,286,239

Resources.	ALBANY, N. Y. Feb. 25, 1902.	ALBANY, N. Y. Apr. 30, 1902.	ALBANY, N. Y. July 16, 1902.	BALTIMORE, MD. Feb. 25, 1902.	BALTIMORE, MD. Apr. 30, 1902.	BALTIMORE, MD. July 16, 1902.	BOSTON, MASS. Feb. 25, 1902.	BOSTON, MASS. Apr. 30, 1902.	BOSTON, MASS. July 16, 1902.
Loans and discounts	$12,301,542	$12,623,131	$12,107,590	$42,260,768	$43,918,069	$44,360,673	$165,863,436	$171,434,183	$166,443,326
Overdrafts	7,657	2,254	2,274	5,406	3,994	8,533	39,304	70,669	49,537
U. S. bonds to secure circulation	450,000	600,000	600,000	3,224,000	3,224,000	3,224,000	5,855,500	5,855,500	5,855,500
U. S. bonds to secure U. S. deposits	272,100	422,100	422,100	2,466,000	2,466,000	2,496,000	4,131,000	4,412,000	4,412,000
U. S. bonds on hand	......	39,000	......	55,780	780	780	......	......	......
Premiums on U. S. bonds	14,500	28,000	25,000	181,391	139,925	149,500	288,129	280,281	255,281
Stocks, securities, etc	1,508,281	1,455,956	1,686,018	4,186,127	4,269,302	5,171,725	10,817,943	9,963,503	12,424,679
Banking house, furniture and fixtures	205,000	205,000	205,000	2,640,420	2,657,248	2,715,970	1,704,136	1,704,048	1,703,923
Other real estate and mortgages owned	28,181	20,281	34,979	32,844	30,293	136,075	78,296	73,476	73,476
Due from National banks (not reserve agents)	3,171,279	3,436,996	4,109,550	4,818,171	4,696,342	5,445,808	13,735,855	13,600,578	15,311,060
Due from State banks and bankers	770,189	970,574	1,254,195	837,933	711,149	1,014,961	2,389,651	2,018,368	1,990,777
Due from approved reserve agents	3,129,770	3,470,380	3,482,606	5,644,092	4,777,912	6,130,431	37,941,865	29,583,060	29,744,970
Checks and other cash items	111,355	132,703	39,566	189,517	843,942	274,309	438,376	1,014,410	409,650
Exchanges for clearing-house	152,565	141,466	125,638	2,276,812	2,806,819	2,812,164	14,806,845	18,041,991	13,384,495
Bills of other National banks	40,091	48,884	62,162	305,512	294,265	252,752	1,239,225	1,205,064	1,372,300
Fractional paper currency, nickels and cents	6,191	5,232	4,298	17,159	20,510	21,704	23,781	22,397	23,208
*Lawful money reserve in bank, viz.:									
Gold coin	347,517	355,902	368,410	614,698	611,451	584,796	1,625,367	1,618,720	1,649,956
Gold Treasury certificates	303,000	258,000	418,000	1,077,090	1,215,920	2,641,610	8,326,590	8,646,420	9,201,540
Gold clearing-house certificates	150,000	150,000	......	210,000	40,000	330,000	3,795,000	3,510,000	3,450,000
Silver dollars	31,115	17,202	20,597	56,296	56,660	62,465	31,797	34,982	46,498
Silver Treasury certificates	56,000	90,000	78,000	1,925,272	1,951,062	1,647,638	2,582,758	2,668,305	3,228,761
Silver fractional coin	30,961	28,060	35,706	96,330	111,485	84,202	170,006	148,654	166,066
Legal-tender notes	925,869	818,608	868,945	1,775,722	2,375,822	1,350,648	6,328,546	5,269,675	5,884,386
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	22,500	30,000	30,000	161,195	161,195	151,195	279,875	266,945	267,775
Due from U. S. Treasurer	......	1,000	......	7,005	22,905	20,300	161,850	209,500	172,799
Total	$24,035,689	$25,345,735]	$25,980,631	$75,015,595	$76,909,014	$80,588,238	$282,605,140	$281,147,611	$277,014,011
Liabilities.									
Capital stock paid in	$1,050,000	$1,050,000	$1,050,000	$11,958,260	$11,958,260	$12,408,260	$33,850,000	$33,850,000	$33,850,000
Surplus fund	1,150,000	1,150,000	1,150,000	5,359,727	5,359,727	5,840,594	12,999,400	13,108,000	13,113,000
Undiv. profits, less expenses and taxes paid	270,860	269,712	323,820	2,074,086	2,368,385	2,011,065	7,612,055	7,064,307	7,998,504
National bank notes issued, less am't on hand	448,195	434,895	575,597	3,186,250	3,190,650	3,187,997	5,717,627	5,286,992	5,308,190
State bank notes outstanding	......	......	......	493	493	493	......	......	......
Due to other National banks	9,616,935	10,762,054	11,194,173	12,348,842	11,371,556	12,050,605	42,980,950	40,449,729	44,287,063
Due to State banks and bankers	3,977,940	3,342,143	3,824,554	6,150,790	7,108,396	7,078,594	37,905,740	39,317,560	35,109,908
Dividends unpaid	923	15,096	408	65,901	47,710	124,013	8,992	26,386	11,046
Individual deposits	7,236,175	7,891,139	7,489,968	81,177,687	82,804,058	84,075,613	134,806,857	134,502,610	129,408,227
U. S. deposits	282,390	426,861	421,641	2,484,057	2,479,780	2,506,383	3,979,449	4,275,913	4,255,910
Deposits of U. S. disbursing officers	2,268	3,835	458	......	......	......	103,617	145,410	98,524
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	160,000	170,000	1,255,000	1,221,000	1,256,000	1,481,000
Liabilities other than those above stated	......	......	......	50,000	50,000	54,648	1,919,450	1,864,750	2,097,636
Total	$24,035,689	$25,345,735	$25,980,631	$75,015,595	$76,909,014	$80,588,238	$282,605,140	$281,147,611	$277,014,011
Average reserve held	29.42 p. c.	29.22 p. c.	22.91 p. c.	26.28 p. c.	24.95 p. c.	26.98 p. c.	32.62 p. c.	28.15 p. c.	25.63 p. c.
***Total lawful money reserve in bank**	$1,844,482	$1,712,772	$1,789,658	$5,755,458	$6,362,390	$6,701,359	$22,810,064	$21,896,706	$23,619,227

Resources.	Brooklyn, N. Y.			Chicago, Ill.			Cincinnati, Ohio.		
	Feb. 25, 1902.	*Apr. 30, 1902.*	*July 16, 1902.*	*Feb. 25, 1902.*	*Apr. 30, 1902.*	*July 16, 1902.*	*Feb. 25, 1902.*	*Apr. 30, 1902.*	*July 16, 1902.*
Loans and discounts	$10,969,196	$12,031,330	$11,746,560	$177,020,367	$175,639,438	$180,871,184	$35,123,883	$33,959,239	$35,492,728
Overdrafts	7,278	7,624	7,752	127,973	69,093	87,701	21,047	24,220	14,806
U. S. bonds to secure circulation	642,000	642,000	642,000	3,840,000	3,590,000	2,800,000	4,480,000	4,480,000	4,480,000
U. S. bonds to secure U. S. deposits	200,000	200,000	200,000	1,860,000	1,510,000	1,550,000	3,877,500	3,877,500	3,877,500
U. S. bonds on hand	......	......	......	17,820	49,530	94,740	167,290	164,150	238,860
Premiums on U. S. bonds	9,000	7,900	7,900	35,680	7,040	11,925	47,923	39,840	52,856
Stocks, securities, etc	2,763,045	2,765,094	2,742,512	15,507,791	15,967,217	15,594,385	10,039,919	9,741,637	10,395,370
Banking house, furniture and fixtures	484,000	484,000	483,550	474,743	291,583	303,511	485,281	483,728	483,728
Other real estate and mortgages owned	52,903	47,343	43,206	216,984	215,834	166,926	191,795	216,036	247,884
Due from National banks (not reserve agents)	44,205	59,977	92,799	49,299,688	41,999,020	43,391,609	4,455,666	4,297,196	4,670,926
Due from State banks and bankers	68,678	156,635	128,552	10,714,858	10,141,543	11,063,297	712,996	712,529	626,497
Due from approved reserve agents	1,937,396	2,063,838	2,500,015	......	......	......	6,348,630	5,297,281	6,208,297
Checks and other cash items	55,306	105,403	104,458	269,712	248,680	517,282	158,396	62,161	81,549
Exchanges for clearing-house	1,111,599	1,567,955	1,301,179	10,507,759	10,470,420	10,759,170	260,665	295,494	655,178
Bills of other National Banks	95,681	117,420	115,862	1,166,574	1,392,881	1,677,260	211,498	206,391	331,407
Fractional paper currency, nickels and cents	7,157	10,335	13,883	27,111	42,132	32,793	4,643	6,465	5,348
*Lawful money reserve in bank, viz.:									
Gold coin	497,892	415,058	426,058	12,314,744	12,298,830	11,716,105	408,747	454,370	790,986
Gold Treasury certificates	395,100	496,300	470,050	16,118,880	14,604,940	14,126,950	1,300,000	1,125,000	2,209,700
Gold clearing-house certificates	......	......	......	......	......	......	630,000	680,000	......
Silver dollars	9,126	13,167	19,674	224,564	200,426	194,447	89,967	92,827	104,030
Silver Treasury certificates	619,716	386,721	582,103	4,362,129	6,366,251	7,303,149	490,054	511,634	474,616
Silver fractional coin	76,060	73,827	80,842	255,538	281,766	278,898	36,374	47,686	49,473
Legal-tender notes	884,162	641,595	863,220	18,468,243	23,903,559	22,950,703	3,382,358	3,058,493	3,768,833
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	32,100	32,100	32,100	189,997	177,500	133,600	222,749	223,999	223,050
Due from U. S. Treasurer	......	17,150	7,450	217,202	213,200	361,500	11,104	12,365	10,800
Total	$20,961,604	$22,342,776	$22,608,724	$323,238,364	$319,680,840	$325,987,142	$73,158,492	$70,072,249	$75,494,428
Liabilities.									
Capital stock paid in	$1,352,000	$1,352,000	$1,352,000	$19,750,000	$19,750,000	$23,750,000	$7,700,000	$7,700,000	$7,700,000
Surplus fund	1,900,000	1,900,000	1,900,000	9,060,000	9,060,000	11,100,000	3,040,000	3,240,000	3,240,000
Undiv. profits, less expenses and taxes paid	543,481	587,894	566,465	6,308,859	4,877,434	4,514,030	1,849,028	1,454,346	1,649,778
National bank notes issued, less am't on hand	639,600	631,250	634,000	3,614,387	3,364,937	2,522,337	4,218,227	4,412,627	4,287,647
State bank notes outstanding	1,846	1,846	1,846	......	......	......	......	......	......
Due to other National banks	223,932	234,222	323,860	98,742,260	96,637,437	61,686,176	12,485,034	11,702,018	12,581,181
Due to State banks and bankers	3,916,421	4,076,143	4,697,262	62,143,318	52,789,881	90,019,965	7,169,833	6,806,372	7,000,255
Dividends unpaid	1,877	1,559	2,670	4,636	8,991	14,462	2,882	274,586	4,162
Individual deposits	12,124,676	13,285,010	12,934,124	121,477,760	131,453,494	130,394,198	30,824,969	28,315,515	33,265,970
U. S. deposits	187,113	181,707	162,876	1,731,531	1,341,316	1,400,452	3,839,892	3,829,274	3,830,928
Deposits of U. S. disbursing officers	17,141	16,629	19,192	121,887	167,626	134,502	......	......	......
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	53,518	74,512	14,425	284,221	229,721	451,017	2,068,624	2,337,508	1,984,559
Total	$20,961,604	$22,342,776	$22,608,724	$323,238,364	$319,680,840	$325,987,142	$73,158,492	$70,072,249	$75,494,428
Average reserve held	29.38 p. c.	25.94 p. c.	27.49 p. c.	24.44 p. c.	26.48 p. c.	26.20 p. c.	26.52 p. c.	25.30 p. c.	27.40 p. c.
***Total lawful money reserve in bank**	$2,482,056	$2,026,668	$2,441,942	$51,744,099	$57,655,772	$56,570,252	$6,337,501	$5,970,010	$7,397,638

RESOURCES.	CLEVELAND, OHIO. Feb. 25, 1902.	CLEVELAND, OHIO. Apr. 30, 1902.	CLEVELAND, OHIO. July 16, 1902.	COLUMBUS, OHIO. Feb. 25, 1902.	COLUMBUS, OHIO. Apr. 30, 1902.	COLUMBUS, OHIO. July 16, 1902.	DENVER, COLORADO. Feb. 25, 1902.	DENVER, COLORADO. Apr. 30, 1902.	DENVER, COLORADO. July 16, 1902.
Loans and discounts	$43,991,757	$45,653,364	$46,808,071	$9,706,527	$9,651,868	$10,150,985	$15,345,216	$16,670,817	$16,861,165
Overdrafts	75,714	70,878	72,124	7,224	14,936	10,547	119,964	131,599	115,389
U. S. bonds to secure circulation	4,710,000	4,510,000	4,625,000	535,000	535,000	535,000	1,700,000	1,700,000	1,700,000
U. S. bonds to secure U. S. deposits	500,000	900,000	900,000	825,000	325,000	400,000	1,050,000	1,050,000	1,050,000
U. S. bonds on hand	......	50,000	......	88,420	188,770	110,170	......	......	......
Premiums on U. S. bonds	110,765	185,751	167,718	19,704	14,814	14,694	55,250	55,000	54,750
Stocks, securities, etc	3,353,018	3,189,385	3,319,371	2,112,741	2,493,732	2,577,176	6,011,994	6,197,180	7,981,003
Banking house, furniture and fixtures	509,011	560,289	565,107	264,055	277,677	288,763	67,500	66,750	66,250
Other real estate and mortgages owned	152,044	146,544	124,796	86,339	91,241	88,969	328,168	338,489	334,945
Due from National banks (not reserve agents)	4,418,872	4,584,890	5,004,039	1,308,556	1,299,770	1,500,899	2,795,877	2,788,547	2,472,532
Due from State banks and bankers	1,928,352	1,823,121	1,818,460	158,681	189,694	161,218	614,133	665,479	886,657
Due from approved reserve agents	7,479,800	6,052,300	5,911,470	1,398,065	1,031,018	2,266,207	9,418,240	9,090,871	10,223,143
Checks and other cash items	214,704	194,132	257,260	49,780	46,159	56,003	71,560	19,546	54,704
Exchanges for clearing-house	523,063	552,581	732,689	80,481	143,415	148,697	658,842	690,037	708,294
Bills of other National banks	216,714	218,091	214,154	76,805	98,449	116,119	382,510	319,211	409,558
Fractional paper currency, nickels and cents	13,536	15,700	9,255	1,732	2,286	2,629	3,228	2,478	2,905
*Lawful money reserve in bank, viz.:									
Gold coin	1,532,855	1,802,157	1,984,505	423,792	403,403	418,507	2,257,300	2,221,610	2,174,410
Gold Treasury certificates	850,800	970,000	1,022,000	291,840	281,370	302,500	340,000	335,000	340,000
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	222,152	228,618	228,319	41,749	42,470	42,575	85,762	184,224	100,535
Silver Treasury certificates	227,120	246,453	147,400	166,991	231,258	293,783	250,002	260,003	340,000
Silver fractional coin	121,961	70,528	69,061	23,757	16,673	16,810	22,099	47,369	43,714
Legal-tender notes	$2,178,076	2,266,506	2,379,992	587,677	942,547	849,617	1,545,000	1,475,000	1,625,000
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	229,500	219,650	225,550	26,750	26,750	26,750	85,000	85,000	85,000
Due from U. S. Treasurer	82,405	48,655	44,803	17,000	6,100	1,700	35,284	28,734	36,184
Total	$73,591,243	$74,504,094	$76,581,146	$17,798,693	$18,304,397	$20,374,778	$43,237,434	$44,321,947	$47,166,077
LIABILITIES.									
Capital stock paid in	13,150,000	$12,150,000	$12,400,000	$2,300,000	$2,300,000	$2,300,000	$1,700,000	$1,700,000	$2,200,000
Surplus fund	3,656,000	3,655,000	3,705,000	650,000	660,000	720,000	550,000	550,000	675,000
Undiv. profits, less expenses and taxes paid	1,094,555	1,167,726	1,071,588	320,639	296,303	256,282	510,851	547,335	963,050
National bank notes issued, less am't on hand	4,641,390	4,501,050	4,565,650	535,000	535,000	533,000	1,695,800	1,696,250	1,700,000
Due to other National banks	9,734,649	9,382,834	10,589,118	1,535,557	1,402,175	1,612,742	6,414,828	6,759,818	7,111,985
Due to State banks and bankers	13,522,245	14,328,478	14,520,476	2,162,243	2,171,335	2,388,754	4,249,022	4,155,020	4,065,561
Dividends unpaid	730	151,804	950	746	31,591	4,296	......	......	330
Individual deposits	24,825,352	26,408,678	26,660,358	9,963,939	10,567,222	12,134,102	27,165,485	27,993,068	29,495,075
U. S. deposits	487,506	891,006	861,789	289,794	307,240	382,081	312,027	259,493	430,712
Deposits of U. S. disbursing officers	27,538	21,155	48,029	13,772	16,528	16,512	639,417	661,490	524,362
Notes and bills rediscounted	173,129	24,875	......	......	......	......	......	......	......
Bills payable	706,500	300,000	600,000	......	......	......	......	......	......
Liabilities other than those above stated	1,571,644	1,521,483	1,558,184	27,000	27,000	27,000	......	......	......
Total	$73,591,243	$74,504,094	$76,581,146	$17,798,693	$18,304,397	$20,374,778	$43,237,434	$44,321,947	$47,166,077
Average reserve held	30.94 p. c.	26.94 p. c.	25.64 p. c.	23.99 p. c.	23.81 p. c.	25.72 p. c.	40.78 p. c.	38.54 p. c.	25.07 p. c.
*** Total lawful money reserve in bank**	$5,132,964	$5,584,263	$5,781,277	$1,535,806	$1,917,716	$1,918,792	$4,500,163	$4,478,206	$4,623,659

	DES MOINES, IOWA.			DETROIT, MICH.			HOUSTON, TEXAS.		
RESOURCES.	*Feb. 25, 1902.*	*Apr. 30, 1902.*	*July 16, 1902.*	*Feb. 25, 1902.*	*Apr. 30, 1902.*	*July 16, 1902.*	*Feb. 25, 1902.*	*Apr. 30, 1902.*	*July 16, 1902.*
Loans and discounts	$5,741,781	$6,435,194	$6,258,173	$15,610,599	$15,133,669	$14,964,262	$4,595,822	$4,955,075	$5,546,296
Overdrafts	25,951	48,644	18,739	3,030	3,136	2,208	1,167,780	376,699	846,163
U. S. bonds to secure circulation	480,600	480,600	480,600	1,450,000	1,350,000	550,000	430,000	530,000	580,000
U. S. bonds to secure U. S. deposits	410,000	460,000	460,000	750,000	750,000	750,000	......	100,000	100,000
U. S. bonds on hand	23,000	8,000	8,000	23,450	148,250	251,150	......	......	......
Premiums on U. S. bonds	23,683	23,513	22,500	135,312	149,425	166,120	21,693	49,935	44,652
Stocks, securities, etc	288,540	288,076	282,885	2,205,975	2,417,326	2,012,325	18,142	59,078	58,774
Banking house, furniture and fixtures	110,041	109,541	109,036	18,788	18,288	33,288	205,108	204,967	226,429
Other real estate and mortgages owned	48,984	48,984	48,340	179,284	193,092	44,176	114,420	81,185	75,594
Due from National banks (not reserve agents)	537,985	508,753	456,615	1,788,505	1,816,007	1,998,637	1,589,061	1,830,334	1,795,458
Due from State banks and bankers	73,223	79,950	81,999	547,747	449,337	577,594	173,203	99,254	84,763
Due from approved reserve agents	1,239,153	1,163,817	927,949	3,154,830	3,018,271	3,618,218	2,010,640	1,959,384	1,112,611
Checks and other cash items	22,455	7,546	11,842	179,075	19,644	31,476	2,053	1,453	7,769
Exchanges for clearing-house	93,414	70,702	80,766	435,316	449,890	404,908	14,695	197,309	43,271
Bills of other National banks	70,168	64,445	47,525	232,877	203,445	339,014	135,318	219,044	106,812
Fractional paper currency, nickels and cents	1,821	2,832	1,749	11,944	11,249	6,897	3,872	3,993	4,017
*Lawful money reserve in bank, viz.:									
Gold coin	161,812	167,297	161,410	987,450	959,485	1,160,707	304,616	350,891	239,831
Gold Treasury certificates	144,500	2,000	154,000	181,990	166,990	141,990	443,830	526,870	431,510
Gold clearing-house certificates	......	100,000	25,000	55,000	145,000	10,000	......	......	......
Silver dollars	31,663	41,112	36,343	91,218	115,505	98,092	146,919	132,195	153,515
Silver Treasury certificates	96,840	150,545	113,472	187,441	198,089	52,150	277,633	315,956	278,904
Silver fractional coin	20,584	17,901	16,294	50,464	46,579	26,617	40,572	42,315	46,076
Legal-tender notes	437,604	320,778	284,962	899,453	823,472	1,379,409	881,227	824,928	648,644
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	24,030	24,030	24,030	70,100	67,500	27,500	21,375	25,875	28,875
Due from U. S. Treasurer	......	4	3,000	28,500	9,000	21,500	......	......	......
Total	$10,107,838	$10,628,266	$10,115,236	$29,278,355	$28,662,654	$28,673,238	$12,597,935	$12,936,742	$12,009,969
LIABILITIES.									
Capital stock paid in	$800,000	$800,000	$800,000	$3,300,000	$3,300,000	$3,100,000	$1,350,000	$1,350,000	$1,850,000
Surplus fund	260,000	260,000	260,000	627,500	627,500	818,000	680,000	680,000	750,000
Undiv. profits, less expenses and taxes paid	48,574	74,221	57,913	346,710	269,060	225,794	279,336	329,878	228,003
National bank notes issued, less am't on hand	478,147	477,597	468,597	1,376,750	1,322,450	506,750	396,150	485,550	538,950
Due to other National banks	2,583,407	2,402,092	2,213,344	3,367,751	2,989,042	2,998,810	2,793,695	2,287,846	1,885,790
Due to State banks and bankers	3,016,530	3,124,263	2,787,391	6,444,085	6,247,139	7,003,258	737,594	570,157	514,368
Dividends unpaid	448	288	16,102	485	680	4,768	5,797	5,398	18,803
Individual deposits	2,510,347	3,029,369	3,051,242	12,609,993	12,681,691	13,023,594	6,355,152	6,935,356	6,428,696
U. S. deposits	398,147	451,441	451,741	706,687	676,041	719,962	......	100,000	100,000
Deposits of U. S. disbursing officers	11,852	8,544	8,456	48,391	74,049	52,300	......	......	......
Notes and bills rediscounted	......	......	......	......	......	......	......	......	195,355
Bills payable	......	......	......	450,000	475,000	225,000	......	191,555	......
Liabilities other than those above stated	381	446	446	......	......	......	210	......	......
Total	$10,107,838	$10,628,266	$10,115,236	$29,278,355	$28,662,654	$28,673,238	$12,597,935	$12,936,742	$12,009,969
Average reserve held	27.84 p. c.	......	22.19 p. c.	28.15 p. c.	23.06 p. c.	26.59 p. c.	51.71 p. c.	55.32 p. c.	39.43 p. c.
*** Total lawful money reserve in bank**	$893,004	$799,633	$791,482	$2,453,016	$2,455,120	$2,868,965	$2,094,797	$2,193,155	$1,848,480

Resources.	Indianapolis, Ind. Feb. 25, 1902.	Indianapolis, Ind. Apr. 30, 1902.	Indianapolis, Ind. July 16, 1902.	Kansas City, Kans. Feb. 25, 1902.	Kansas City, Kans. Apr. 30, 1902.	Kansas City, Kans. July 16, 1902.	Kansas City, Mo. Feb. 25, 1902.	Kansas City, Mo. Apr. 30, 1902.	Kansas City, Mo. July 16, 1902.
Loans and discounts	$18,550,002	$14,294,636	$15,031,662	$4,758,063	$4,902,144	$4,564,390	$33,614,917	$34,135,548	$34,366,856
Overdrafts	585	836	992	5,802	20,558	18,302	528,429	526,684	342,547
U. S. bonds to secure circulation	761,000	530,000	530,000	700,000	700,000	750,000	1,845,600	1,845,600	1,845,600
U. S. bonds to secure U. S. deposits	2,666,000	2,666,000	2,716,000	......	......	......	1,162,000	1,412,000	1,512,000
U. S. bonds on hand	406,910	83,810	240,510	......	......	......	165,000	315,000	72,500
Premiums on U. S. bonds	95,189	98,866	94,750	30,892	30,802	34,642	31,987	30,737	29,487
Stocks, securities, etc	2,510,064	2,553,687	2,261,511	31,470	1,000	132,023	6,403,818	6,896,333	6,566,925
Banking house, furniture and fixtures	272,606	274,544	273,145	......	......	1,400	383,361	383,361	383,361
Other real estate and mortgages owned	72,402	72,246	61,125	......	......	47,418	97,820	96,820	96,795
Due from National banks (not reserve agents)	4,493,186	3,096,416	4,198,589	151,497	137,777	202,603	2,978,241	2,769,244	2,629,746
Due from State banks and bankers	1,242,080	1,220,770	1,807,553	12,110	93,046	68,425	4,412,504	3,729,868	3,622,594
Due from approved reserve agents	3,823,793	3,240,342	4,141,074	1,197,110	594,779	821,053	10,812,149	10,988,785	10,951,225
Checks and other cash items	71,733	23,670	26,996	109,163	80,097	151,575	36,356	51,549	53,189
Exchanges for clearing-house	461,968	605,852	365,741	156,345	234,337	286,856	1,448,602	1,028,854	1,354,028
Bills of other National banks	501,963	677,748	645,712	12,825	11,300	5,795	189,276	221,025	179,486
Fractional paper currency, nickels and cents	5,999	5,911	6,316	110	468	739	11,106	7,800	8,681
*Lawful money reserve in bank, viz.:									
Gold coin	1,046,032	929,615	864,790	92,100	95,135	126,475	1,685,180	1,266,495	1,299,119
Gold Treasury certificates	1,295,000	1,335,000	1,475,000	......	......	3,000	1,045,220	1,014,140	1,610,240
Gold clearing-house certificates	......	......	......	......	......	......	300,000	300,000	......
Silver dollars	73,169	80,928	74,578	7,658	9,998	9,160	176,909	134,067	144,192
Silver Treasury certificates	76,093	194,841	171,448	......	......	5,000	1,105,036	1,145,626	686,237
Silver fractional coin	18,244	30,775	25,462	3,361	5,072	3,270	45,993	48,334	55,501
Legal-tender notes	726,417	1,018,581	1,001,000	522,544	......	436,984	875,200	1,065,270	1,035,824
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	35,497	24,000	24,000	35,000	35,000	35,000	92,280	92,280	92,280
Due from U. S. Treasurer	......	......	1,100	5	5	5	71,000	64,500	46,000
Total	$34,219,937	$33,058,580	$36,069,055	$7,821 058	$7,312,613	$7,704,121	$69,506,984	$69,569,437	$68,984,870
Liabilities.									
Capital stock paid in	$3,450,000	$3,450,000	$3,450,000	$1,000,000	$1,000,000	$1,100,000	$2,650,000	$2,650,000	$2,650,000
Surplus fund	1,172,500	1,172,500	1,195,000	250,000	250,000	260,000	812,000	837,000	838,000
Undiv. profits, less expenses and taxes paid	183,296	294,694	316,052	335,645	360,574	332,984	1,576,671	1,665,014	1,815,017
National bank notes issued, less am't on hand	710,950	480,000	480,000	700,000	700,000	700,000	1,796,800	1,797,600	1,795,300
Due to other National banks	5,727,206	5,154,040	6,428,164	1,775,997	1,534,493	1,396,828	20,832,996	20,690,331	19,966,062
Due to State banks and bankers	6,077,184	5,159,910	5,871,501	1,116,852	1,054,104	1,061,290	16,586,012	14,965,873	13,685,976
Dividends unpaid	840	......	4,129	330	330	960	1,548	915	42,111
Individual deposits	14,229,528	14,662,273	15,578,628	2,354,642	2,160,474	2,607,523	23,980,149	25,413,155	26,204,392
U. S. deposits	2,390,228	2,418,171	2,513,243	......	......	......	1,136,708	1,380,610	1,485,508
Deposits of U. S. disbursing officers	258,253	246,989	202,335	......	......	......	34,367	37,403	21,690
Notes and bills rediscounted	......	......	......	287,590	252,636	242,504	......	......	......
Bills payable	......	......	......	......	......	......	......	......	350,000
Liabilities other than those above stated	20,000	20,000	......	......	......	2,030	99,736	......	130,291
Total	$34,219,937	$33,058,580	$36,039,055	$7,821,058	$7,312,618	$7,704,121	$69,506,984	$69,569,437	$68,984,870
Average reserve held	32.33 p. c.	31.10 p. c.	27.87 p. c.	59.90 p. c.	25.77 p. c.	25.86 p. c.	30.18 p. c.	29.33 p. c.	29.63 p. c.
*** Total lawful money reserve in bank**	$34,219,937	$3,589,740	$3,612,273	$625,663	$471,195	$583,889	$5,233,538	$4,973,952	$4,831,118

Resources.	LINCOLN, NEB. Feb. 25, 1902.	LINCOLN, NEB. Apr. 30, 1902.	LINCOLN, NEB. July 16, 1902.	LOS ANGELES, CAL. Feb. 25, 1902.	LOS ANGELES, CAL. Apr. 30, 1902.	LOS ANGELES, CAL. July 16, 1902.	LOUISVILLE, KY. Feb. 25, 1902.	LOUISVILLE, KY. Apr. 30, 1902.	LOUISVILLE, KY. July 16, 1902.
Loans and discounts	$2,659,354	$2,807,923	$2,861,999	$7,434,895	$7,575,441	$8,255,851	$14,363,960	$14,971,888	$15,290,238
Overdrafts	19,131	27,068	41,041	78,370	87,809	87,910	28,335	81,232	82,808
U. S. bonds to secure circulation	260,000	160,000	160,000	1,365,000	1,365,000	1,365,000	4,161,000	4,161,000	4,161,000
U. S. bonds to secure U. S. deposits	60,000	60,000	110,000	250,000	250,000	250,000	2,296,800	2,646,800	2,646,800
U. S. bonds on hand	8,340	8,340	1,000	60,000	60,800	59,500	700	......	400
Premiums on U. S. bonds	7,688	7,350	12,286	33,984	55,029	82,276	143,986	170,187	67,971
Stocks, securities, etc	220,430	200,648	187,515	481,729	406,500	730,412	1,963,408	2,100,132	2,528,203
Banking house, furniture and fixture	77,023	77,023	77,023	217,320	229,732	232,848	230,462	230,462	230,407
Other real estate and mortgages owned	13,418	12,478	10,710	123,631	110,841	80,926	120,231	120,364	120,490
Due from National banks (not reserve agents)	759,935	646,493	599,282	829,651	1,181,277	1,018,063	1,959,138	1,958,290	1,889,310
Due from State banks and bankers	166,904	160,526	270,973	501,580	488,014	550,966	643,461	791,854	663,023
Due from approved reserve agents	464,209	451,759	514,521	1,677,505	2,471,993	2,102,492	3,870,971	3,129,559	3,739,316
Checks and other cash items	22,426	22,216	24,726	39,569	72,064	34,114	14,441	22,475	16,681
Exchanges for clearing-house	43,093	39,397	30,813	189,700	206,492	350,312	228,998	295,676	171,131
Bills of other National banks	20,435	15,630	16,170	48,854	39,533	41,663	138,661	230,796	139,487
Fractional paper currency, nickels and cents	1,570	1,327	1,647	1,140	2,279	2,783	2,977	4,343	3,721
*Lawful money reserve in bank, viz.:									
Gold coin	86,600	102,870	161,040	1,357,915	1,165,890	1,329,050	644,545	664,677	737,257
Gold Treasury certificates	......	......	......	55,010	49,780	87,820	183,000	260,000	252,000
Gold clearing-house certificates	......	......	......	291,000	230,000	334,000	......	60,000	......
Silver dollars	14,330	17,745	10,526	18,027	28,074	40,448	40,596	58,196	61,090
Silver Treasury certificates	731	200	752	128,848	108,155	91,879	54,726	10,823	38,350
Silver fractional coin	7,997	9,432	11,434	44,637	64,789	79,496	28,397	37,286	37,736
Legal-tender notes	139,808	102,134	99,434	138,228	110,112	112,531	954,680	1,877,082	1,103,130
U. S. certificate of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	13,000	8,000	8,000	63,250	68,250	68,250	206,050	207,550	208,050
Due from U. S. Treasurer	......	......	......	......	......	......	4,500	14,900	14,500
Total	$5,066,426	$4,938,582	$5,210,396	$15,424,849	$16,427,350	$17,838,097	$32,306,049	$33,555,080	$34,152,600
Liabilities.									
Capital stock paid in	$400,000	$400,000	$400,000	$1,800,000	$1,800,000	$1,800,000	$4,645,000	$4,645,000	$4,645,000
Surplus fund	78,000	84,000	126,000	286,500	286,500	295,000	1,830,000	1,830,000	1,785,500
Undiv. profits less expenses and taxes paid	48,510	46,983	88,917	489,763	524,568	572,568	394,935	448,018	396,965
National bank notes issued, less am't on hand	260,000	159,500	160,000	1,246,695	1,322,965	1,340,785	4,159,150	4,161,000	4,155,150
Due to other National banks	649,119	700,390	689,053	833,159	885,252	243,734	4,890,118	5,292,302	5,063,812
Due to State banks and bankers	1,120,719	1,027,406	1,215,760	648,314	748,406	741,879	3,914,410	4,163,087	6,199,152
Dividends unpaid	3	60	132	643	865	2,443	8,388	28,333	18,319
Individual deposits	2,450,073	2,460,249	2,470,543	10,419,794	11,109,837	12,066,114	9,855,761	10,133,582	10,083,685
U. S. deposits	60,000	59,900	109,823	54,954	165,499	197,805	2,087,900	2,398,452	2,416,025
Deposits of U. S. disbursing officers	......	......	166	95,024	82,964	52,069	180,766	216,686	199,884
Notes and bills rediscounted	......	......	......	......	......	......	130,500	81,500	55,000
Bills payable	......	......	......	50,000	......	......	100,000	50,000	......
Liabilities other than those above stated	......	......	......	......	500	5,677	109,116	109,116	134,604
Tota	$5,066,426	$4,938,582	$5,210,396	$15,424,849	$16,427,350	$17,838,097	$32,306,049	$33,555,080	$34,152,600
Average reserve held	22.09 p. c.	20.44 p. c.	20.55 p. c.	36.48 p. c.	38.67 p. c.	30.16 p. c.	38.31 p. c.	30.63 p. c.	24.11 p. c.
* Total lawful money reserve in bank	$249,466	$232,381	$233,186	$2,023,665	$1,756,800	$2,075,226	$1,905,944	$2,468,067	$2,229,563

RESOURCES.	MILWAUKEE, WIS. Feb. 25, 1902.	MILWAUKEE, WIS. Apr. 30, 1902.	MILWAUKEE, WIS. July 16, 1902.	MINNEAPOLIS, MINN. Feb. 25, 1902.	MINNEAPOLIS, MINN. Apr. 30, 1902.	MINNEAPOLIS, MINN. July 16, 1902.	NEW ORLEANS, LA. Feb. 25, 1902.	NEW ORLEANS, LA. Apr. 30, 1902.	NEW ORLEANS, LA. July 16, 1902.
Loans and discounts	$25,419,240	$25,421,208	$24,873,136	$18,330,963	$19,115,966	$18,580,024	$17,968,697	$16,102,968	$17,068,337
Overdrafts	496,116	387,928	476,960	9,418	21,285	13,084	1,333,443	986,764	493,480
U. S. bonds to secure circulation	550,000	550,000	750,000	900,000	1,100,000	1,100,000	1,760,000	1,160,000	1,160,000
U. S. bonds to secure U. S. deposits	1,160,000	1,160,000	1,160,000	850,000	850,000	850,000	450,000	450,000	550,000
U. S. bonds on hand	6,500	......	100	1,000	1,000	3,800	210,200	126,590	147,090
Premiums on U. S. bonds	83,000	65,750	58,757	......	......	......	71,303	17,424	37,647
Stocks, securities, etc	2,618,811	2,457,553	2,487,478	1,233,639	1,468,409	1,277,145	2,609,418	2,536,253	2,282,096
Banking house, furniture and fixtures	97,155	132,155	125,455	2,000	277,000	277,000	636,797	517,184	516,382
Other real estate and mortgages owned	112,533	112,164	112,096	88,000	37,900	30,000	105,462	64,170	64,170
Due from National banks (not reserve agents)	1,994,821	1,705,206	1,679,024	1,571,933	1,518,846	1,517,681	1,595,224	1,176,453	1,198,998
Due from State banks and bankers	1,056,312	910,289	895,614	592,028	725,439	659,083	1,803,315	1,369,846	1,397,604
Due from approved reserve agents	5,616,353	4,895,815	4,012,820	3,245,125	3,399,307	2,773,758	3,996,435	4,076,714	3,080,956
Checks and other cash items	14,410	16,772	61,224	63,406	36,391	39,347	26,125	10,829	26,276
Exchanges for clearing-house	563,494	729,056	665,437	863,451	1,082,737	725,208	1,366,571	1,398,874	1,139,548
Bills of other National banks	44,093	57,506	62,085	84,286	161,796	138,673	218,690	199,640	169,679
Fractional paper currency, nickels and cents	9,849	8,839	5,100	12,479	11,422	8,664	22,029	14,381	18,260
*Lawful money reserve in bank, viz.:									
Gold coin	1,572,760	1,682,945	1,861,770	650,900	702,602	786,965	311,443	187,229	244,178
Gold Treasury certificates	650,000	650,000	650,000	410,000	245,000	505,000	659,900	600,740	474,820
Gold clearing-house certificates	......	......	......	......	200,000	......	435,000	365,000	266,000
Silver dollars	72,345	76,300	70,925	46,521	28,539	32,489	130,315	64,798	58,428
Silver Treasury certificates	98,000	130,000	81,000	30,000	25,000	30,000	824,550	811,294	618,419
Silver fractional coin	54,440	49,197	37,850	34,599	33,597	31,204	89,861	58,057	60,357
Legal-tender notes	1,685,800	1,517,770	1,607,909	442,000	918,400	719,000	1,568,883	1,016,025	983,705
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	27,500	27,500	32,765	45,000	55,000	55,000	88,000	58,000	58,000
Due from U. S. Treasurer	......	10,400	14,000	10,759	4,400	15,804	1,150	9,000	4,400
Total	$43,953,037	$42,754,357	$41,781,480	$28,967,484	$31,519,540	$29,618,798	$38,284,817	$33,362,233	$32,058,721
LIABILITIES.									
Capital stock paid in	$3,250,000	$3,750,000	$3,750,000	$3,250,000	$3,250,000	$3,250,000	$2,900,000	$2,300,000	$2,300,000
Surplus fund	1,005,000	1,105,000	1,185,000	750,000	750,000	805,000	3,380,000	3,275,000	3,400,000
Undiv. profits, less expenses and taxes paid	542,438	426,195	390,411	335,254	268,631	270,100	464,280	578,831	425,322
National bank notes issued, less am't on hand	543,400	545,250	653,300	876,200	1,072,850	1,068,950	1,732,595	1,121,045	1,095,596
Due to other National banks	5,087,157	4,203,751	3,925,189	5,617,103	6,209,225	5,931,205	3,886,041	3,078,878	2,496,262
Due to State banks and bankers	4,048,305	3,768,685	3,180,751	5,436,762	5,842,968	4,725,736	3,965,043	2,711,581	3,249,484
Dividends unpaid	195	2,465	3,002	1,225	2,601	5,640	12,446	8,689	25,422
Individual deposits	28,313,360	27,782,398	27,518,849	12,152,560	18,574,196	12,798,796	21,214,812	19,883,825	18,656,813
U. S. deposits	1,012,961	1,031,186	1,024,146	322,219	319,957	332,250	409,597	409,437	400,000
Deposits of U. S. disbursing officers	150,219	139,423	151,830	26,129	29,110	16,116	......	......	9,830
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	200,000	300,000	......	......
Liabilities other than those above stated	......	......	5,000	200,028	200,000	215,000	......	......	......
Total	$43,953,037	$42,754,357	$41,781,480	$28,967,484	$31,519,540	$29,618,798	$38,284,817	$33,362,233	$32,058,721
Average reserve held	27.97 p. c.	26.90 p. c.	25.72 p. c.	23.99 p. c.	24.93 p. c.	22.77 p. c.	33.04 p. c.	32.51 p. c.	25.54 p. c.
*Total lawful money reserve in bank	$4,133,345	$4,106,212	$4,309,454	$1,614,020	$2,153,138	$2,104,628	$4,019,968	$3,096,143	$2,700,902

RESOURCES.	OMAHA, NEB. Feb. 25, 1902.	OMAHA, NEB. Apr. 30, 1902.	OMAHA, NEB. July 16, 1902.	PHILADELPHIA, PA. Feb. 25, 1902.	PHILADELPHIA, PA. Apr. 30, 1902.	PHILADELPHIA, PA. July 16, 1902.	PITTSBURG, PA. Feb. 25, 1902.	PITTSBURG, PA. Apr. 30, 1902.	PITTSBURG, PA. July 16, 1902.
Loans and discounts	$15,528,107	$16,897,270	$17,542,314	$142,486,388	$146,378,181	$149,552,830	$91,823,763	$96,504,618	$107,518,186
Overdrafts	95,451	99,164	127,179	13,663	7,219	7,442	60,750	52,808	55,547
U. S. bonds to secure circulation	1,400,000	1,250,000	1,250,000	10,389,500	9,761,500	9,389,500	6,675,000	6,725,000	6,585,000
U. S. bonds to secure U. S. deposits	900,000	1,000,000	1,000,000	4,504,000	4,504,000	4,504,000	2,454,000	2,654,000	2,704,000
U. S. bonds on hand	8,600	5,600	9,500	9,700	9,700	9,700	209,700	7,700	3,650
Premiums on U. S. bonds	112,861	136,584	129,463	888,119	361,322	408,822	296,318	300,561	311,596
Stocks, securities, etc	1,397,451	1,401,993	1,429,971	26,360,392	27,252,677	26,948,891	16,020,744	15,071,999	15,234,039
Banking house, furniture and fixtures	803,580	795,580	795,560	3,825,988	3,833,408	3,839,220	4,986,809	5,018,275	5,366,042
Other real estate and mortgages owned	241,871	224,441	175,661	677,339	670,936	665,811	683,731	645,209	626,212
Due from National banks (not reserve agents)	2,204,951	2,015,671	1,964,977	18,918,550	19,208,359	20,070,668	5,746,887	5,045,753	5,612,909
Due from State banks and bankers	1,333,074	707,023	651,811	3,442,045	4,131,303	4,074,446	973,938	859,827	1,511,189
Due from approved reserve agents	3,793,067	3,224,442	3,201,022	33,158,997	35,821,670	31,248,570	12,194,971	12,298,855	15,878,078
Checks and other cash items	81,053	74,744	112,299	1,783,069	1,977,457	1,808,863	490,091	689,303	491,117
Exchanges for clearing-house	641,980	616,171	603,882	14,290,130	17,966,715	14,834,188	5,084,097	4,937,096	6,880,792
Bills of other National banks	149,007	170,332	181,830	342,843	375,784	373,522	503,054	476,386	465,779
Fractional paper currency, nickels and cents	5,839	5,466	4,212	53,818	51,023	52,398	28,731	26,579	26,746
*Lawful money reserve in bank, viz.:									
Gold coin	1,185,220	1,300,010	870,712	1,983,796	1,881,408	1,864,009	4,084,902	4,201,734	4,233,282
Gold Treasury certificates	225,000	225,000	240,000	4,746,350	6,006,860	6,129,100	3,153,820	3,294,500	3,849,970
Gold clearing-house certificates	......	......	......	6,835,000	7,220,000	8,185,000	......	......	......
Silver dollars	96,529	107,048	133,109	275,458	338,006	316,634	216,439	264,804	353,637
Silver Treasury certificates	278,377	316,165	332,980	3,450,384	4,099,016	4,425,509	2,339,291	2,060,862	2,258,635
Silver fractional coin	95,542	85,405	85,931	322,990	349,417	389,495	125,296	147,649	147,336
Legal-tender notes	779,870	825,045	1,330,750	3,488,654	3,491,623	3,800,641	4,379,689	4,485,526	4,767,800
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	70,000	63,208	62,500	473,475	488,075	469,475	331,250	336,250	324,250
Due from U. S. Treasurer	12,303	10,720	139	177,920	112,818	83,218	58,777	53,000	90,950
Total	$31,439,740	$31,557,089	$32,235,809	$282,398,593	$296,293,478	$293,446,958	$162,922,056	$166,157,297	$185,245,848
LIABILITIES.									
Capital stock paid in	$3,450,000	$3,450,000	$3,450,000	$21,405,000	$21,405,000	$21,405,000	$16,150,000	$16,870,000	$19,970,000
Surplus fund	485,000	485,000	498,000	20,535,000	20,535,000	21,215,000	16,370,000	16,623,188	19,117,980
Undiv. profits, less expenses and taxes paid	271,886	201,818	167,029	3,866,727	4,545,584	3,707,833	5,214,847	5,634,646	5,698,357
National bank notes issued, less am't on hand	1,395,700	1,243,600	1,250,000	10,235,482	9,606,735	9,212,135	6,577,347	6,695,397	6,464,097
Due to other National banks	6,675,124	6,743,329	6,916,119	66,231,722	64,855,210	66,616,557	19,471,282	18,864,782	19,165,323
Due to State banks and bankers	5,708,807	5,467,908	5,236,103	35,537,836	40,609,976	38,224,256	12,661,087	12,609,323	18,005,448
Dividends unpaid	983	1,013	40	31,154	25,321	51,994	53,843	37,487	65,781
Individual deposits	12,551,557	12,982,716	13,719,023	120,032,036	130,121,816	128,242,163	83,920,274	85,642,548	93,199,544
U. S. deposits	500,600	696,290	767,289	4,292,527	4,283,290	4,319,034	2,331,081	2,500,338	2,559,819
Deposits of U. S. disbursing officers	400,580	285,418	232,203	231,156	245,152	240,078	122,890	151,324	145,290
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	60,000	50,000	......	324,000
Liabilities other than those above stated	......	......	......	......	60,390	152,905	......	528,260	530,255
Total	$31,439,740	$31,557,089	$32,235,809	$282,398,593	$296,293,478	$293,446,958	$162,922,056	$166,157,297	$185,245,848
Average reserve held	30.33 p. c.	27.12 p. c.	25.39 p. c.	28.90 p. c.	30.07 p. c.	25.28 p. c.	25.25 p. c.	24.97 p. c.	25.80 p. c.
* Total lawful money reserve in bank	$2,660,538	$2,858,673	$2,993,483	$21,102,632	$23,386,330	$25,110,388	$14,299,438	$14,454,076	$15,610,660

	PORTLAND, ORE.			ST. JOSEPH, MO.			ST. LOUIS, MO.		
RESOURCES.	*Feb. 25, 1902.*	*Apr. 30, 1902.*	*July 16, 1902.*	*Feb. 25, 1902.*	*Apr. 30, 1902.*	*July 16, 1902.*	*Feb. 25, 1902.*	*Apr. 30, 1902.*	*July 16, 1902.*
Loans and discounts	$3,689,465	$4,115,551	$3,887,360	$4,009,410	$4,188,633	$5,532,067	$73,238,210	$75,173,918	$79,824,778
Overdrafts	209,698	241,277	256,114	21,706	27,268	20,014	85,221	80,999	187,022
U. S. bonds to secure circulation	625,000	625,000	625,000	165,000	165,000	215,000	11,050,000	11,050,000	11,000,000
U. S. bonds to secure U. S. deposits	800,000	1,000,000	1,000,000	100,000	100,000	100,000	3,182,500	3,182,500	2,582,500
U. S. bonds on hand	9,340	9,840	11,340	25,780	25,780	26,180	16,290	18,790	18,290
Premiums on U. S. bonds	18,098	29,031	18,906	......	5,850	10,100	388,497	387,710	217,710
Stocks, securities, etc	3,180,363	3,138,077	3,211,814	193,037	188,737	188,692	5,816,556	5,995,738	6,531,968
Banking house, furniture and fixtures	224,931	225,658	230,231	72,000	72,000	88,875	200,000	200,000	200,000
Other real estate and mortgages owned	110,851	112,708	112,708	......	......	......	162,760	183,792	134,597
Due from National banks (not reserve agents)	584,129	623,714	825,270	470,881	359,666	981,966	15,224,767	18,902,494	14,295,981
Due from State banks and bankers	268,662	119,364	107,360	181,806	75,809	218,036	6,329,063	4,747,227	4,425,655
Due from approved reserve agents	1,432,451	1,206,862	1,951,955	1,786,910	1,135,333	2,222,823	......	......	......
Checks and other cash items	35,242	46,512	65,234	26,058	41,418	45,434	285,495	196,650	498,274
Exchanges for clearing-house	79,149	82,755	80,696	118,885	52,600	238,371	2,620,238	5,180,170	3,099,622
Bills of other National banks	7,860	13,840	14,075	25,845	16,725	29,365	359,135	253,142	309,560
Fractional paper currency, nickels and cents	2,660	1,654	2,288	897	819	3,035	3,210	3,559	3,903
*Lawful money reserve in bank, viz.:									
Gold coin	1,449,495	1,402,720	1,555,420	168,840	161,852	324,327	2,421,675	3,388,965	2,812,960
Gold Treasury certificates	......	7,200	5,000	30,960	29,810	112,500	1,900,950	1,716,720	8,867,410
Gold clearing-house certificates	......	......	......	......	......	......	4,595,000	5,165,000	......
Silver dollars	14,043	3,892	6,810	32,479	37,902	77,678	60,139	60,146	70,166
Silver Treasury certificates	7,203	14,060	18,768	178,503	177,239	228,713	2,391,212	2,437,383	2,246,451
Silver fractional coin	34,069	36,000	26,695	9,807	9,553	30,817	23,963	20,902	26,877
Legal-tender notes	14,229	27,773	32,709	272,626	250,593	325,354	5,277,342	4,146,102	4,337,169
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	31,250	31,250	31,250	8,250	8,250	10,750	552,500	350,150	502,500
Due from U. S. Treasurer	......	......	......	900	6,300	5,000	14,500	12,850	18,350
Total	$12,778,187	$13,114,244	$14,076,508	$7,849,586	$7,084,137	$11,034,635	$136,199,226	$137,803,877	$141,656,743
LIABILITIES.									
Capital stock paid in	$1,100,000	$1,100,000	$1,100,000	$350,000	$350,000	$550,000	$13,400,000	$13,400,000	$14,400,000
Surplus fund	190,000	190,000	190,000	116,300	116,300	116,750	4,500,000	4,800,000	8,400,000
Undiv. profits, less expenses and taxes paid	734,560	715,863	746,171	142,516	153,083	147,379	3,755,594	3,847,862	3,891,542
National bank notes issued, less am't on hand	581,960	590,410	596,860	165,000	165,000	173,000	11,008,145	10,896,997	10,927,797
Due to other National banks	1,421,616	1,287,623	1,607,634	1,610,078	982,750	1,585,523	29,962,242	28,833,219	26,871,185
Due to State banks and bankers	1,131,835	1,303,822	1,138,181	2,469,467	2,206,451	3,518,050	25,683,814	25,656,518	22,337,486
Dividends unpaid	282	30	3,361	......	......	......	5,300	6,069	10,460
Individual deposits	6,902,909	7,067,085	7,718,953	2,896,273	3,010,635	4,843,944	44,854,151	46,788,818	50,597,555
U. S. deposits	200,046	285,223	475,838	96,283	93,554	95,592	3,179,538	3,218,757	2,575,084
Deposits of U. S. disbursing officers	515,477	574,185	500,013	3,666	6,360	4,396	......	4,000	33,632
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	......	......	......	......	......	......	350,440	356,639	1,611,999
Total	$12,778,187	$13,114,244	$14,076,508	$7,849,586	$7,084,137	$11,034,635	$136,199,226	$137,803,877	$141,656,743
Average reserve held	32.31 p. c.	28.20 p. c.	p. c.	33.83 p. c.	31.25 p. c.	25.38 p. c.	21.90 p. c.	26.49 p. c.	23.50 p. c.
*** Total lawful money reserve in bank**	$1,519,089	$1,491,645	$1,645,402	$693,215	$666,950	$1,098,885	$16,670,282	$16,935,188	$18,361,088

Resources.	St. Paul, Minn. Feb. 25, 1902.	Apr. 30, 1902.	July 16, 1902.	San Francisco, Cal. Feb. 25, 1902.	Apr. 30, 1902.	July 16, 1902.	Savannah, Ga. Feb. 25, 1902.	Apr. 30, 1902.	July 16, 1902.
Loans and discounts	$14,164,370	$13,880,380	$14,447,065	$2,127,724	$20,107,940	$20,961,067	$1,947,559	$1,967,188	$1,696,271
Overdrafts	1,502	13,336	2,985	75,140	64,464	107,276	333	8,885	208
U. S. bonds to secure circulation	696,000	696,000	696,000	3,700,000	4,000,000	4,300,000	200,000	200,000	200,000
U. S. bonds to secure U. S. deposits	1,258,000	1,458,000	1,458,000	674,000	874,000	874,000	127,000	127,000	127,000
U. S. bonds on hand	2,340	100	640	1,946,240	156,040	73,940	......	......	......
Premiums on U. S. bonds	175	7	......	286,013	191,085	191,865	1,500	1,500	1,500
Stocks, securities, etc	3,327,386	3,416,188	3,397,197	1,856,784	2,070,872	2,188,371	27,029	25,749	25,799
Banking house, furniture and fixtures	585,218	585,218	585,218	341,633	341,713	341,638	54,631	54,631	54,131
Other real estate and mortgages owned	190,352	178,707	145,688	7,568	1,568	......	......	......	......
Due from National banks (not reserve agents)	1,146,940	1,210,250	1,359,890	1,089,783	1,515,402	1,842,936	14,674	40,864	38,832
Due from State banks and bankers	308,268	359,737	404,337	3,478,886	3,621,004	3,031,435	17,064	15,·86	6,893
Due from approved reserve agents	5,466,819	5,368,024	4,112,097	2,001,433	2,291,351	2,161,216	127,750	120,731	119,097
Checks and other cash items	262,766	131,142	157,600	18,509	45,679	44,676	235	235	5
Exchanges for clearing-house	406,488	565,796	633,153	764,586	1,068,914	981,711	40,542	35,801	64,323
Bills of other National banks	130,211	97,903	205,276	34,470	45,769	34,659	26,000	11,000	22,000
Fractional paper currency, nickels and cents	3,607	2,539	4,323	2,863	3,024	4,647	1,459	1,901	2,947
*Lawful money reserve in bank, viz.:									
Gold coin	1,861,240	1,847,659	1,584,410	4,142,087	6,859,505	4,509,140	28,000	25,500	48,000
Gold Treasury certificates	77,400	35,700	375,000	100,070	361,740	940,160	55,000	90,000	55,000
Gold clearing-house certificates	......	200,000	......	930,000	40,000	5,000	......	......	......
Silver dollars	100,790	94,339	86,150	42,078	79,323	50,545	10,500	8,000	9,000
Silver Treasury certificates	143,220	72,031	184,500	18,249	11,806	15,133	46,800	34,857	47,000
Silver fractional coin	62,331	63,881	56,352	65,308	89,710	145,504	20,400	19,300	22,500
Legal-tender notes	389,342	248,626	350,816	13,979	16,479	38,190	85,000	85,000	55,467
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	34,800	34,800	34,800	175,000	195,000	215,000	10,000	10,000	10,000
Due from U. S. Treasurer	20,900	48,922	21,850	3,850	1,850	......	2	2	2
Total	$30,640,472	$30,559,264	$30,308,303	$41,896,206	$44,053,745	$43,058,115	$2,841,483	$2,906,425	$2,608,021
Liabilities.									
Capital stock paid in	$3,800,000	$3,800,000	$3,800,000	$6,200,000	$6,200,000	$6,200,000	$750,000	$750,000	$750,000
Surplus fund	806,000	806,000	830,000	3,100,000	3,100,000	3,150,000	225,000	225,000	225,000
Undiv. profits, less expenses and taxes paid	500,712	523,414	578,725	667,251	806,891	748,991	123,951	135,126	126,570
National bank notes issued, less am't on hand	650,720	649,720	650,220	3,445,097	3,456,650	4,193,440	191,495	185,395	188,145
Due to other National banks	4,461,989	4,790,926	3,691,457	3,261,510	1,700,418	1,649,740	173,805	227,736	67,399
Due to State banks and bankers	4,179,111	4,016,229	3,323,043	6,230,923	7,112,241	6,817,786	163,211	183,595	174,290
Dividends unpaid	899	2,011	4,264	8,611	5,625	41,960	926	525	1,256
Individual deposits	14,962,591	14,531,630	16,005,258	18,281,829	20,688,741	19,829,597	921,808	1,001.454	944,057
U. S. deposits	966,351	1,164,452	1,167,595	688,273	870,431	908,938	76,883	69,649	66,496
Deposits of U. S. disbursing officers	292,147	274,880	257,739	22,711	......	......	55,400	54,041	58,806
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	159,000	70,910	6,000
Liabilities other than those above stated	......	......	......	......	22,749	22,691	......	......	......
Total	$30,640,472	$30,559,264	$30,308,303	$41,896,206	$44,053,745	$43,058,115	$2,841,483	$2,906,485	$2,608,021
Average reserve held	35.52 p. c.	35.33 p. c.	24.66 p. c.	32.30 p. c.	41.22 p. c.	35.36 p. c.	29.64 p. c.	27.43 p. c.	31.02 p. c.
* Total lawful money reserve in bank	$2,634,324	$2,562,236	$2,637,228	$5,311,717	$7,458,565	$5,703,672	$245,700	$262,657	$236,967

RESOURCES.	WASHINGTON, D. C. Feb. 25, 1902.	Apr. 30, 1902.	July 16, 1902.
Loans and discounts	$12,652,458	$13,104,762	$13,119,888
Overdrafts	6,747	6,927	9,860
U. S. bonds to secure circulation	1,219,000	1,219,000	1,219,000
U. S. bonds to secure U. S. deposits	451,000	451,000	451,000
U. S. bonds on hand	154,250	155,840	154,490
Premiums on U. S. bonds	67,756	68,198	67,645
Stocks, securities, etc.	1,426,902	1,388,967	1,485,766
Banking house, furniture and fixtures	1,284,714	1,284,714	1,284,714
Other real estate and mortgages owned	106,078	106,078	106,078
Due from National banks (not reserve agents)	2,398,681	2,461,328	2,871,129
Due from State banks and bankers	232,258	452,477	439,317
Due from approved reserve agents	3,294,885	3,542,586	3,922,585
Checks and other cash items	172,770	309,531	168,238
Exchanges for clearing-house	251,920	297,879	309,472
Bills of other National banks	9,735	8,655	5,975
Fractional paper currency, nickels and cents	9,011	8,868	7,419
*Lawful money reserve in bank, viz.:			
Gold coin	77,536	76,940	82,606
Gold Treasury certificates	1,450,960	1,407,970	1,642,040
Gold clearing-house certificates	......	......	......
Silver dollars	13,189	8,345	10,269
Silver Treasury certificates	610,634	586,063	708,538
Silver fractional coin	74,439	65,749	68,910
Legal-tender notes	603,847	489,867	454,554
U. S. certificates of deposit for legal-tenders	......	......	......
Five per cent. redemption fund with Treasurer	55,950	55,950	55,930
Due from U. S. Treasurer	7,850	3,500	4,750
Total	$26,627,495	$27,608,190	$28,143,679
LIABILITIES.			
Capital stock paid in	$2,775,000	$2,775,000	$2,775,000
Surplus fund	1,707,000	1,707,000	1,740,000
Undivided profits, less expenses and taxes paid	518,066	564,853	568,246
National bank notes issued, less amount on hand	1,095,225	1,096,275	1,099,875
State bank notes outstanding	......	......	......
Due to other National banks	275,886	325,896	482,452
Due to State banks and bankers	951,540	1,014,687	946,839
Dividends unpaid	4,791	4,277	10,760
Individual deposits	18,887,451	19,666,970	20,065,877
U. S. deposits	406,212	367,067	482,641
Deposits of U. S. disbursing officers	56,302	89,162	21,985
Notes and bills rediscounted	......	......	......
Bills payable	......	......	......
Liabilities other than those above stated	......	......	......
Total	$26,627,495	$27,608,190	$28,143,679
Average reserve held	32.46 p. c.	31.85 p. c.	27.29 p. c.
*Total lawful money reserve in bank	$2,830,525	$2,714,904	$2,506,457

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MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, August 4, 1902.

THE CONFLICT BETWEEN LABOR AND CAPITAL as exemplified in the anthracite coal miners' strike in Pennsylvania, in the soft coal miners' strike in Virginia and West Virginia, and the freight-handlers' strike in Chicago, was of more or less influence in financial circles last month. The anthracite coal strike is still unsettled. Production is practically at a standstill. On August 2, the twelfth week of the strike was ended, and the cost, losses and expenses of the strike for that time are estimated as follows:

Loss to operators in price of coal (normal)	$29,500,000
Loss to strikers in wages	13,500,000
Loss to workers made idle by the strike	3,600,000
Loss to business men in coal region	9,500,000
Loss to business men outside coal region	5,500,000
Cost of maintaining coal and iron police	700,000
Cost of maintaining non-union men	275,000
Damage to mines and machinery	2,500,000
Loss by lace mill strike, caused by coal strike	100,000
Cost to State of placing troops in field for three days	15,000
Total	$65,190,000

It has been an expensive strike, with the end not yet in sight. Recently there have been outbreaks of violence, calling out of troops and demonstrations of trouble, which are not encouraging. Still, the convention of the United Mine Workers held on July 17 settled the question of a general strike of the bituminous miners, it being decided not to quit work but to give financial aid to the anthracite strikers.

There was a nearly complete suspension of railroad business in Chicago for a while owing to the freight-handlers' strike in that city, but the strikers finally returned to work about the middle of the month. It is estimated that this strike cost the business men of Chicago $10,000,000.

The failure to extend the coal strike into the bituminous region unquestionably had a favorable influence upon sentiment in Wall Street. This and the excellent crop reports outweighed the effect of gold exports and one or two other bearish events, and the stock market developed considerable strength and activity.

The sales of stocks in July aggregated more than 16,000,000 shares, an increase of 300,000 shares over the sales of the corresponding month last year, while the bond sales amounted to more than $71,000,000 as compared with less than $50,000,000 a year ago.

Prices of a number of stocks last month reached the highest point touched during the year, and while there was a reaction in the last few days of the month, the general list made a considerable advance. Some of the principal advances from the lowest to the highest price of the month were Atchison, 12½ per cent.; Chesapeake and Ohio, 10⅝ per cent.; Chicago and Eastern Illinois, 26¼ per cent.; St. Paul, 15⅜ per cent.; Northwest, 18½ per cent.; Rock Island, 27¾ per cent., beside "rights" quoted at 9 @ 13¼ per cent.; Hocking Valley, 11¼ per cent.; Illinois Central, 10¾ per cent.; Missouri Pacific, 11⅜ per cent.; New York Central, 13¼

per cent.; New Haven, 10¼ per cent.; Pennsylvania, 10⅛ per cent.; St. Louis and San Francisco, 18⅛ per cent.; American Sugar, 10⅜ per cent.; Pullman 14 per cent.

A portion of these large advances was lost in the last few days of the month, but the decline was due rather to the operations of individuals than to any unfavorable development. It is true that about $7,000,000 of gold was exported from New York in the last week of the month, but any general flow of gold from the country is not anticipated. In a very few weeks the exports of domestic products will check any gold export movement, while gold imports before Christmas would be in harmony with precedent.

The local money market is in a condition of ease, which betokens no fear of a drain of gold. Yet there has been a heavy flow of currency to the West since July 1, the movement being not only exceptional in volume but earlier than is usually the case. The operations in grain in Chicago probably caused a part of the currency movement, but the West will have a large grain crop to move this year, and the banks in that section will supply the money needed largely from their own resources. The money that has been shipped westward from New York it is believed belonged largely to the banks drawing it, and little has been loaned by New York institutions, and it is also thought that there will be little call made upon any banks to supply the West with money for moving the crops. That will have an important bearing upon the future of our money market.

Another important fact which intimately concerns the money market here is the change indicated in the financial affairs of the Government. It is of exceptional significance that the Treasury statement for July shows a deficit of more than $7,500,000. While such a deficit is not to be anticipated monthly during the remainder of the fiscal year, still the fact that there has been a deficit, the first in nearly two years, following so promptly the reduction in the war taxes, means that the absorption of money by the Treasury is not to be a very active quantity hereafter.

Last year there was a Treasury surplus of $92,000,000, and about $80,000,000 in each of the previous two years. While it is not likely that there is to be a large deficit this year, and there may not be any deficit at all, it is certain that at least the surplus will be small, and the money market will be exempt from disturbance from that quarter.

An examination of the Treasury statement of July shows that the receipts were about $3,000,000 less than in July a year ago, while the expenses were $4,500,000 larger. The internal revenue receipts, which have been affected by legislation, show a decrease, however, of nearly $7,000,000, the customs receipts increasing more than $3,000,000. In fact, the latter are about the largest ever reported, and if they are to continue at their present large volume, the Treasury will have no difficulty in avoiding a deficit during the present fiscal year.

Yet it ought not to be of any great importance to a country leading all other countries in the world in the possession of gold money, whether the Government receives a few millions of dollars more or less a year, or spends a few millions more or less than it receives. And it would not, were it not that the Government persists in being its own banker, and in locking up in its vaults the money it does not immediately use. The Government collects about $50,000,000 a month, and the withdrawing of such an amount from circulation could easily throw out of adjustment the entire mechanism of exchange.

Official reports of the Government have brought to attention the exceptional position the United States occupies as a gold money-using country. There is now about $1,200,000,000 of gold coin (including bullion in the United States Treasury) in the country; while the world's entire stock of gold is estimated at $4,906,700,000. Nearly one-quarter of the total supply is in the United States. France has

$810,000,000, the British Empire, $769,700,000, of which $511,000,000 is in Great Britain proper; Russia, $724,800.000, and Germany $721,800,000. The United States has nearly fifty per cent. more gold than its nearest competitor, France, and it has nearly as much as Great Britain and Germany together. In 1879 we had only about $245,000,000 of gold in the country, and in 1890 less than $700,000,000. In the last three years the supply has increased $225,000,000.

Nothing probably contributed more to the feeling of confidence last month than the favorable reports concerning the crops. The report of the Agricultural Department shows the condition of the growing grain crops on July 1 gave the most favorable news regarding the corn crop. The acreage planted shows an increase of 3,520,000 acres, making the total area 94,870,000 acres. The average condition on July 1 was 87.5 per cent. as compared with 81.3 per cent. last year. The estimated yield of corn, as indicated on July 1, is 2,589,951,000 bushels, compared with 1,522,519,891 harvested last year. There was little change in the condition of wheat, while oats promise a record crop, the condition on July 1 being 92.1 per cent., as against 83.7 per cent. last year. The acreage is 28,656,000 acres, and estimated yield 916,992,000 bushels. The following are the July 1 estimates of the three principal grain crops this year compared with the actual yield in previous years.

	Wheat. Bushels.	*Corn.* Bushels.	*Oats.* Bushels.
1902	633,500,000	2,589,951,000	916,992,000
1901	748,460,218	1,522,519,891	736,808,724
1900	522,229,505	2,105,102,516	809,125,989
1899	547,303,840	2,078,143,933	769,177,718
1898	675,148,705	1,924,184,600	730,905,643
1897	530,149,168	1,902,967.933	698,767,800
1896	427,684,346	2,283,875.165	707,346,404
1895	467,102,941	2,154,138,580	824,443,537
1894	460,267,416	1,212,770,000	662,036,928
1893	396,131,725	1,619,946,131	638,854,850
1892	515,949,000	1,628,464,000	661,035,000
1891	611,780,000	2,060,154,000	738,394,000

The wheat yield this year exceeds that of all other years excepting 1898 and 1901, the corn and oats crops are each larger than in any previous year. These are certainly very strong arguments for optimists who believe that prosperity is not yet to depart.

In both corn and oats last month there was considerable manipulation in the markets, and "corners" in both commodities were created. The price of corn for July delivery was carried to 90 cents in Chicago on July 8, but corn was rushed in until the corner was finally broken about the middle of the month. The "corner" in oats came later, and the price of July contracts was advanced to 72 cents on July 25, the highest figure recorded in thirty years. A "short" operator to save himself obtained an injunction to prevent a maintenance of the corner.

A special report on the cotton crop prepared by the New York "Journal of Commerce" shows that the condition for the month of July was 79.6 per cent., a decrease of 6.9 points for the month, but a gain of 4.3 points compared with the condition a year ago.

A drop in exports of merchandise from $102,000,000 in May to $89,000,000 in June, attracted attention to the condition of our foreign trade. It is so long since our exports in any month fell below $100,000,000 that the record for June came as a great surprise. For the fiscal year ended June 30 the exports were $1,382,000,000, a decrease of $105,000,000 from the previous year, and of $12,000,000 from 1900. The larger part of the decrease has been in the last six months of the fiscal year, however, the exports since January 1 having been $638,000,000, a decrease from 1901 of $83,000,000, and from 1900 of $74,000,000.

It is of interest to note that while the total exports of merchandise fell off $105,000,000 last year as compared with 1901, nearly $92,000,000 was in agricultural products, and $63,000,000 of that in corn and corn meal, a loss which may be traced to the small yield last year. The following is a comparative table of the agricultural exports in the last three fiscal years:

	1902.	*1901.*	*1900.*
Barley	$3,847,637	$2,776,917	$11,202,333
Corn	16,605,069	82,015,226	84,663,694
Corn meal	1,028,039	2,047,167	2,135,511
Oats	4,077,746	11,730,714	12,485,026
Oatmeal	1,667,662	2,270,833	1,547,665
Rye	1,581,475	1,309,711	1,442,020
Wheat	112,149,186	96,339,230	73,062,796
Flour	64,725,883	68,997,441	66,915,657
Total breadstuffs	$205,022,669	$267,487,239	$253,454,703
Cattle and hogs	$28,539,531	$36,537,062	$29,034,396
Provisions	181,598,096	180,024 817	163,894,458
Cotton	289,515,301	313,283,573	241,666,165
Mineral oils	70,948,609	69,905,888	74,454,660
Total agricultural exports	$775,624,206	$867,238,579	$767,504,382

While the exports of agricultural products were smaller than in 1901, they exceed those of all previous years excepting 1898 and 1892. The great loss as mentioned was in corn, the exports of which were only about 26,000,000 bushels, as against 176,000,000 bushels in 1901 and nearly 208,000,000 bushels in 1900.

In the main the exports of manufactured articles have kept up to the record. The total exports of manufactures during the fiscal year were valued at $403,890,763, as compared with $412,155,066 in 1901, a decrease of $8,264,303. More than this loss is found in iron and steel manufactures, which decreased from $117,319,320 in 1901 to $98,552,562 in 1902, a reduction of $18,766,758. About 70 per cent. of the manufactured articles exported were in the following classes:

	1901.	*1902.*
Iron and steel manufactures	$117.319,320	$98,552,562
Mineral oils, refined	63,049,812	65,342,826
Copper manufactures	43,267,021	41,218,373
Cotton cloth	14,186,067	25,861,196
Leather	21,320,646	22,350,134
Agricultural implements	16,313,434	16,286,740
Chemicals, etc	14,384,453	13,288,218
Wood manufactures	11,099,643	11,617,690

One other branch of industry is still conspicuous in its activity. That is the iron trade, which is not only very active but would be still more so were it not for the handicap of the coal strike. While a number of furnaces have been shut down on account of the strike, still the output of pig iron on July 1 was at the rate of 352,590 tons per week, the largest ever reported. The output for the first half of 1902 was 8,808,574 tons, which is also without precedent. We show the output of pig iron since 1891 as follows:

	First half. Tons.	*Second half.* Tons.	*Total,* Tons.
1891	3,368,107	4,911,763	8,279,870
1892	4,769,683	4,387,317	9,157,000
1893	4,562,918	2,561,584	7,124,502
1894	2,717,983	3,939,405	6,657,388
1895	4,087,558	5,358,750	9,446,308
1896	4,976,236	3,646,891	8,623,127
1897	4,403,476	5,249,204	9,652,680
1898	5,869,703	5,904,231	11,773,934
1899	6,289,167	7,331,536	13,620,703
1900	7,642,569	6,146,673	13,789,242
1901	7,674,613	8,203,741	15,878,354
1902	8,808,574	....	....

The railroads continue to report large gains in gross earnings, incomplete returns from 152 roads, operating 178,074 miles, as reported by the "Financial Chronicle," showing an increase in the first six months of 1902 over 1901 of $42,862,976, or nearly 7 per cent.

The "Chicago Railway Age" furnishes testimony as to the solvency of the railroads in the fact that only 22 railways, representing 1,310 miles of road, and $61,-085,000 of capital, are now in the hands of Receivers. The record of railroad receiverships in the last nine years is as follows:

	No. roads.	*Miles.*	*Stocks and bonds.*
1894	192	40,819	$2,500,000,000
1895	169	37,855	2,245,068,000
1896	151	30,475	1,742,331,000
1897	128	18,862	1,017,472,000
1898	94	12,745	587,030,000
1899	71	9,853	526,697,000
1900	52	4,177	215,489,000
1901	44	2,463	100,965,256
1902	22	1,310	61,085,000

Only one small road, fifty-two miles long, went into the hands of a Receiver in the last six months.

THE MONEY MARKET.—Except early in the month, when July disbursements affected the local market, rates for money were low. Call loans were up to 7 per cent. in the first week of the month, but later declined, ranging from 2½ to 4 per cent. At the close of the month call money ruled at 2½ @ 3 per cent., most of the loans being made at between 2¾ and 3 per cent. Banks and trust companies quote 3 per cent. as the minimum rate. Time money on Stock Exchange collateral is quoted at 4½ per cent. for 30 to 90 days and 4¾ @ 5 per cent. for 4 to 6 months on good mixed collateral. For commercial paper the rates are 4½ @ 4¾ per cent. for 60 to 90 days' endorsed bills receivable, 4½ @ 5 per cent. for first-class 4 to 6 months' single names, and 5½ @ 6 per cent. for good paper having the same length of time to run.

MONEY RATES IN NEW YORK CITY.

	Mar. 1.	*April 1.*	*May 1.*	*June 1.*	*July 1.*	*Aug. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances	2 –2½	3 –4½	3¾–8	2¾–3½	3½–7	2½–3
Call loans, banks and trust companies	2½–	4½–	4 –	3 –	3 –	3 –
Brokers' loans on collateral, 30 to 60 days	3½–4	....	4 – ½	4¼– ½	4¼–	4½–
Brokers' loans on collateral, 90 days to 4 months	4 –4½	4¼– ¾	4 – ½	4¼– ½	4¼–4½	4½– ¾
Brokers' loans on collateral, 5 to 7 months	....	4¼– ¾	4 – ½	4¼– ½	4½–	4¾–5
Commercial paper, endorsed bills receivable, 60 to 90 days	4 –	4½–	4¼– ½	4¼– ½	4½–	4½– ¾
Commercial paper prime single names, 4 to 6 months	4 –4½	4½–5	4½–5¼	4¼– ¾	4½–5	4½–5
Commercial paper, good single names, 4 to 6 months	5 – 5½	5½–	5 – ½	5 – ½	5 –5½	5½–6

NEW YORK CITY BANKS.—After the July holidays the bank statements for two weeks showed a very rapid decrease in deposits, a loss of $18,000,000 occurring between July 5 and 19. In the following two weeks, however, there was a gain of $16,500,000, which leaves the deposits $1,000,000 more than on June 28. Loans, after falling from about $911,000,000 on July 5 to $903,000,000 on July 19, increase over $16,000,000 in the following two weeks, and are now nearly $26,000,000 more than at the close of June. The cash reserves have increased about $1,000,000 since June 28, and the surplus reserve $700,000.

New York City Banks—Condition at Close of each Week.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
July 5...	$910,883,200	$173,116,800	$76,629,800	$958,647,500	$10,084,725	$31,683,000	$1,878,962,500
" 12...	906,776,200	170,507,200	77,269,200	942,198,000	12,226,900	31,777,200	1,866,068,400
" 19...	908,327,300	173,168,700	77,713,800	940,692,900	15,709,275	31,809,600	1,517,673,400
" 26...	913,294,500	174,136,600	79,390,100	952,097,200	15,502,400	31,997,700	1,516,566,800
Aug. 2...	919,671,600	173,443,900	79,580,600	957,145,500	13,738,125	32,184,100	1,477,217,100

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	*1900.*		*1901.*		*1902.*	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$740,046,900	$11,168,075	$854,189,200	$11,526,900	$910,860,800	$7,515,575
February......	795,917,300	30,871,275	969,917,500	24,838,825	975,997,000	26,623,350
March.........	829,917,000	18,641,550	1,012,514,000	14,801,100	1,017,488,300	9,975,925
April..........	807,816,600	9,836,150	1,004,283,200	7,870,500	965,858,300	6,965,575
May...........	852,062,500	21,128,300	970,790,500	16,759,775	968,189,600	7,484,000
June	887,954,500	20,122,275	952,398,200	21,253,050	948,326,400	11,929,000
July	888,249,300	16,859,875	971,382,000	8,484,200	955,829,400	12,978,350
August........	887,841,700	27,535,975	955,912,200	22,165,350	957,145,500	13,738,125
September....	903,486,900	27,078,475	968,121,900	11,919,925	....	....
October.......	884,706,800	12,942,600	936,452,300	16,293,025	....	....
November	841,775,200	5,950,400	958,062,400	10,482,800	....	....
December.....	864,410,900	10,865,675	940,668,500	13,414,575	....	....

Deposits reached the highest amount, $1,019,474,200 on Feb. 21, 1901, loans, $988,191,200 on March 1, 1902, and the surplus reserve $111,623,000 on Feb. 3, 1894.

Non-Member Banks—New York Clearing-House.

DATES.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus.*
July 5....	$76,717,500	$83,802,700	$3,459,700	$3,904,600	$9,647,100	$3,595,500	* $342,775
" 12....	75,360,300	81,998,900	3,676,100	4,559,700	8,663,400	3,393,100	* 207,425
" 19....	75,722,200	81,383,900	3,597,400	4,286,000	8,268,700	2,395,300	* 1,798,575
" 26....	75,824,400	80,170,600	3,574,300	4,183,200	7,855,700	2,247,100	* 2,182,350
Aug. 2....	75,129,200	79,991,200	3,470,100	3,981,900	8,160,200	2,143,100	* 2,242,500

* Deficit.

Boston Banks.

DATES.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
July 5.......	$189,889,000	$218,750,000	$14,936,000	$5,972,000	$4,998,000	$155,235,900
" 12.......	188,290,000	212,569,000	16,748,000	6,509,000	5,009,000	143,821,500
" 19.......	186,867,000	210,006,000	16,869,000	7,002,000	5,001,000	140,790,600
" 26.......	186,133,000	207,754,000	17,046,000	6,813,000	5,000,000	126,379,800
Aug. 2.......	186,245,000	205,576,000	16,930,000	6,214,000	4,995,000	117,528,800

Philadelphia Banks.

DATES.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
July 5....................	$185,047,000	$217,772,000	$56,244,000	$8,930,000	$108,682,100
" 12....................	185,075,000	216,427,000	55,291,000	8,922,000	108,641,000
" 19....................	185,158,000	216,985,000	55,585,000	8,898,000	115,822,500
" 26....................	184,845,000	214,216,000	55,721,000	8,900,000	109,963,600
Aug. 2....................	....	....	....	....	....

Money Rates Abroad.—The money markets abroad have been easy throughout the month. No change was made in the posted rates of discount of any of the European banks. The Bank of Bengal reduced its rate from 4 to 3 per cent. early in the month. Discounts of 60 to 90 days bills in London at the close of the month were 2 9-16 @ 2⅝, the same as a month ago. The open market at Paris was 2¼ per cent. against 2½ per cent. a month ago, and at Berlin and Frankfort 1⅝ per cent. against 2⅛ @ 2¼ per cent. a month ago.

Money Rates in Foreign Markets.

	Feb. 15.	Mar. 15.	Apr. 19.	May 10.	June 20.	July 19.
London—Bank rate of discount	3	3	3	3	3	3
Market rates of discount:						
60 days bankers' drafts	2 11/16	2⅝	2 11/16—¾	2¾—13/16	2 9/16—⅝	2½
6 months bankers' drafts	2 11/16	2⅝	2 11/16—⅞	2 11/16	2 9/16—⅝	2⅝—¾
Loans—Day to day	2¾	1½	1½	1½	2	2
Paris, open market rates	2⅛	2¼	2⅜	1⅞	2⅜	2½
Berlin, "	1⅞	1⅞	1¾	1⅞	2¼	1⅝
Hamburg, "	1⅞	1⅞	1¾	1⅞	2¼	1½
Frankfort, "	1⅞	1⅞	1¾	1⅞	2¼	1⅝
Amsterdam, "	2¼	1¾	2⅜	2⅜	2⅜	2½
Brussels, "	2¼	2¼	2¼	2⅛	2¼	2¾
Vienna, "	2¾	2⅝	2½	2½	2¼	2¼
Madrid, "	3½	3½	3½	4	4	4
Copenhagen, "	4	3½	3½	3½	3½	4

Bank of England Statement and London Markets.

	Apr. 16, 1902.	May 14, 1902.	June 11, 1902.	July 16, 1902.
Circulation (exc. b'k post bills)	£29,074,750	£29,563,425	£29,312,110	£29,761,905
Public deposits	9,301,957	10,248,220	10,909,294	11,400,617
Other deposits	39,045,464	39,742,818	38,447,276	39,660,772
Government securities	14,774,386	14,824,008	14,296,385	16,986,460
Other securities	27,066,618	29,549,785	27,190,624	26,189,057
Reserve of notes and coin	24,394,213	23,572,121	25,774,710	26,102,050
Coin and bullion	35,693,962	35,360,546	37,311,820	38,088,955
Reserve to liabilities	50¼%	46 11/16%	52%	50⅝%
Bank rate of discount	3%	3%	3%	3%
Price of Consols (2¾ per cents.)	93 11/16	95⅛	96¾	95 15/16
Price of silver per ounce	24⅛d	23⅝d.	24 1/16d.	24 7/16d.
Average price of wheat	27s. 5d.	30s. 9d.	......	30s. 10d.

Silver.—Silver in London recorded its lowest price for the month on the 1st, and its highest price on the 10th, the range being 24 3-16 @ 24 9-16. The final price was 24 7-16, a net advance for the month of ¼ d.

Monthly Range of Silver in London—1900, 1901, 1902.

Month.	1900. High	1900. Low.	1901. High	1901. Low.	1902. High	1902. Low.	Month.	1900. High	1900. Low.	1901. High	1901. Low.	1902. High	1902. Low.
January..	27¾	27	29 5/16	27⅞	26 1/16	25⅝	July......	27¾	27⅝	28 3/16	27¾	24 7/16	24 3/16
February	27¾	27 5/16	28 7/16	27⅞	25⅝	25 5/16	August ..	27¾	27½	28 1/16	27 13/16	....	....
March....	27 11/16	27 7/16	28 3/16	27 5/16	25 7/16	24 13/16	Septemb'r	27⅝	26 13/16	28 7/16	29¼	....	....
April.....	27½	27 5/16	27 13/16	26 13/16	24⅞	23 5/16	October..	28 13/16	28⅝	30 3/16	29⅛	....	....
May......	27⅝	27½	27⅝	27 5/16	24⅛	23 9/16	Novemb'r	27 5/16	26 11/16	29 11/16	29 7/16	....	....
June.....	28 3/16	27 5/16	27⅝	27¼	24 7/16	23 15/16	Decemb'r	27 9/16	26 13/16	29 13/16	29⅛	....	....

Foreign and Domestic Coin and Bullion—Quotations in New York.

	Bid.	Asked.		Bid.	Asked.
Sovereigns & Bk. of Eng. notes	$4.87	$4.90	Mexican 20 pesos	$19.55	$19.65
Twenty francs	3.87	3.90	Ten guilders	3.96	4.00
Twenty marks	4.78	4.82	Mexican dollars	.41⅛	.43
Twenty-five pesetas	4.78	4.81	Peruvian soles	.38¼	.41½
Spanish doubloons	15.55	15.65	Chilian pesos	.38⅛	.41½
Mexican doubloons	15.55	15.65	Trade dollars	.55	.70

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 24 7/16d. per ounce. New York market for large commercial silver bars, 53¼ @ 54¼c. Fine silver (Government assay), 53⅝ @ 54⅝c. The official price was 53⅛c.

European Banks.—During the last month the Bank of England lost $5,000,000 gold and the Bank of Germany $9,000,000, while the Bank of France gained $4,000,000 and Russia $2,000,000. Each of the banks, excepting the Bank of England, holds about $25,000,000 more gold than it did a year ago.

Gold and Silver in the European Banks.

	June 1, 1902.		*July 1, 1902.*		*August 1, 1902.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England	£35,944,814	....	£38,980,659	....	£37,924,000	....
France	103,000,451	£44,702,801	102,808,088	£45,000,979	103,631,000	£44,875,449
Germany	40,186,000	14,868,000	40,419,000	14,949,000	38,672,000	14,804,000
Russia	74,055,000	8,911,000	73,846,000	8,878,000	74,299,000	8,880,000
Austria-Hungary	44,258,000	12,608,000	44,277,000	12,767,000	44,080,000	12,675,000
Spain	14,125,000	18,679,000	14,158,000	19,179,000	14,196,000	19,599,000
Italy	16,162,000	2,189,600	16,155,000	2,101,100	16,196,000	2,041,400
Netherlands	4,873,400	6,784,000	4,767,300	6,815,500	4,849,000	6,716,100
Nat. Belgium	3,206,667	1,603,333	3,224,000	1,622,000	3,074,667	1,537,333
Totals	£335,806,332	£110,335,784	£338,599,997	£111,812,579	£336,921,690	£110,628,283

Foreign Exchange.—The sterling exchange market was strong during the entire month, and rates advanced until exports of gold began late in the month. About $7,500,000 of gold went out, all in the last ten days of the month.

Rates for Sterling at Close of Each Week.

Week ended.	Bankers' Sterling. 60 days.	Bankers' Sterling. Sight.	*Cable transfers.*	*Prime commercial, Long.*	*Documentary Sterling, 60 days.*
July 5	4.8555 @ 4.8565	4.8790 @ 4.8800	4.8825 @ 4.8835	4.85¼ @ 4.85⅜	4.84½ @ 4.85⅝
" 12	4.8540 @ 4.8550	4.8780 @ 4.8790	4.8820 @ 4.8830	4.85 @ 4.85⅛	4.84⅜ @ 4.85½
" 19	4.8550 @ 4.8560	4.8785 @ 4.8795	4.8820 @ 4.8830	4.85⅛ @ 4.85¼	4.84½ @ 4.85⅝
" 26	4.8550 @ 4.8560	4.8785 @ 4.8795	4.8820 @ 4.8830	4.85⅛ @ 4.85¼	4.84½ @ 4.85⅝
Aug. 2	4.8545 @ 4.8555	4.8785 @ 4.8795	4.8825 @ 4.8835	4.85⅛ @ 4.85¼	4.84½ @ 4.85⅝

Foreign Exchange—Actual Rates on or about the First of each Month.

	April 1.	*May 1.*	*June. 1.*	*July 1.*	*Aug. 1.*
Sterling Bankers—60 days	4.85¼– ⅜	4.85⅜– ½	4.84⅝– ½	4.85⅜– ½	4.85¼– ½
" " Sight	4.87¾–88	4.87⅞–88	4.87 – ⅛	4.87¾– ⅞	4.87¾– 88
" " Cables	4.88¼– ½	4.88⅜– ½	4.87⅞– ½	4.88¼– ⅜	4.88½– ⅝
" Commercial long	4.85 – ¼	4.84⅞–85	4.84⅛– ¼	4.84⅞– 5	4.85 – ¼
" Docu'tary for paym't.	4.84⅛– 5⅜	4.84⅝– 5⅜	4.83½– 4¾	4.84¼– 5⅛	4.84½– 5¾
Paris—Cable transfers	5.15 1/16–15	5.15 1/16– 1/32	5.16⅞–	5.15 –	5.15 –
" Bankers' 60 days	5.17½–	5.17½–	5.18¾–	5.18⅛–	5.18⅛–17½
" Bankers' sight	5.15⅝–	5.15⅝–	5.17½–16⅞	5.15⅝–	5.15⅝–
Swiss—Bankers' sight	5.18⅛–	5.18⅛–	5.18⅛–	5.17½–	5.17½–
Berlin—Bankers' 60 days	95 – 1/16	95 – 1/16	94¾– 13/16	95– 1/16	94 15/16– 95
" Bankers' sight	95⅜– 7/16	95 5/16– ⅜	95⅛– 3/16	95 11/16– ¾	95 5/16–
Belgium—Bankers' sight	5.16¼–	5.16¼–	5.17½–	3.16⅞– ¼	5.16¼–
Amsterdam—Bankers' sight	40⅛– 3/16	40 3/16– ¼	40 1/16– ⅛	40.18–20	40¼– 5/16
Kronors—Bankers' sight	26.84 –86	26.85–87	26.81– .83	26.85– 87	26.85–87
Italian lire—sight	5.27½–26¼	5.27½ –26¼	5.25⅝–24⅝	5.22½–21¼	5.21¼– 20

National Bank Circulation.—The amount of bank-note circulation on July 31 was nearly $359,000,000, an increase of $2,812,000 for the month. The amount secured by Government bonds was $316,614,767, for which $318,588,480 of bonds are deposited with the Government, an increase in the former of $2,875,956 and in the latter of $1,424,950. Of the $445,940,000 of 2 per cent bonds of 1930 issued the National banks now hold nearly $408,000,000 to secure circulation and public deposits. The total holdings of other bonds aggregate only about $40,000,000.

NATIONAL BANK CIRCULATION.

	Apr. 30, 1902.	*May 31, 1902.*	*June 30, 1902.*	*July 31, 1902.*
Total amount outstanding...............	$356,987,399	$356,747,184	$356,672,091	$358,984,184
Circulation based on U. S. bonds.........	315,113,392	313,609,837	314,238,811	316,614,767
Circulation secured by lawful money....	41,874,007	43,137,347	42,433,280	42,369,417
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent.........	5,397,500	5,281,250	5,461,250	5,816,000
Five per cents. of 1894................	343,400	343,400	455,900	605,900
Four per cents. of 1895..................	2,130,600	2,078,100	2,028,100	2,076,600
Three per cents. of 1898..................	3,325,080	3,310,080	3,210,080	3,272,580
Two per cents. of 1900..................	306,287,550	305,183,350	306,008,200	306,817,400
Total	$317,484,130	$316,196,180	$317,163,530	$318,588,480

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents of 1907, $10,139,500; 5 per cents. of 1894, $949,000; 4 per cents. of 1895, $8,026,750; 3 per cents. of 1898, $7,705,600; 2 per cents. of 1900, $97,019,800; District of Columbia 3.65's, 1924, $910,000; a total of $124,750,650

GOLD AND SILVER COINAGE.—The coinage at the United States mints last month amounted to $4,576,800, as follows: Gold, $2,120,000; silver, 2,254,000; minor coin, $202,800. There were $1,050,000 of standard silver dollars coined.

COINAGE OF THE UNITED STATES.

	1900.		*1901.*		*1902.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
January....................	$11,515,000	$2,364,161	$12,657,200	$2,713,000	$7,660,000	$2,908,637
February.................	13,401,900	1,940,000	9,230,300	2,242,166	6,643,850	2,489,000
March.......................	12,596,240	4,341,376	6,182,152	3,120,580	1,558	2,965,577
April........................	12,922,000	3,930,000	18,958,000	2,633,000	3,480,315	3,388,278
May..........................	8,252,000	3,171,000	9,325,000	3,266,000	426,000	1,873,000
June.........................	3,820,770	2,094,217	5,948,030	2,836,185	500,345	2,464,353
July..........................	6,540,000	1,827,827	4,225,000	1,312,000	2,120,000	2,254,000
August......................	5,050,000	2,536,000	6,780,000	3,141,000	....	....
September................	2,293,335	3,932,185	4,100,178	3,899,524	....	....
October.....................	5,120,000	4,148,000	5,750,000	2,791,489	....	....
November.................	13,185,000	3,130,000	6,270,000	917,000	....	....
December.................	4,576,697	2,880,555	12,309,338	1,966,514	....	....
Year..................	$99,272,942	$36,295,321	$101,735,187	$30,838,461	$20,832,068	$18,442,840

GOVERNMENT REVENUES AND DISBURSEMENTS.—The receipts of the Treasury during the first month of the new fiscal year were $7,500,000 less than the disbursements. Were the succeeding months to show such a result there would be a large hole eaten into the surplus this year. But July is a month of abnormal expenditures, and last month they were $113,000,000 more than in June. Treasury officials estimate that the year's revenues will exceed the disbursements probably $25,000,000.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.			EXPENDITURES.		
Source.	*July, 1902.*	*Since July 1, 1902.*	*Source.*	*July, 1902.*	*Since July 1, 1902.*
Customs.............	$24,430,743	$24,430,743	Civil and mis........	$13,824,585	$13,824,585
Internal revenue...	21,618,125	21,618,125	War..................	18,515,514	18,515,514
Miscellaneous.......	3,256,823	3,256,823	Navy	7,558,507	7,558,507
			Indians..............	1,215,353	1,215,353
			Pensions.............	11,492,634	11,492,634
Total.............	$49,305,691	$49,305,691	Interest.............	4,206,974	4,206,974
Excess of receipts...	7,507,876	7,507,876	Total............	$56,813,567	$56,813,567

UNITED STATES PUBLIC DEBT.—The net debt of the United States increased nearly $4,500,000 last month, caused by a deficit in revenues. The interest-bearing debt remains unchanged, but the issue of gold certificates was increased $10,400,000 and of silver certificates $2,200,000, while Treasury notes were reduced $1,200,000.

The aggregate debt increased $11,000,000, while the cash balance in the Treasury was reduced $4,600,000.

United States Public Debt.

	Jan. 1, 1902.	June 1, 1902.	July 1, 1902.	Aug. 1, 1902.
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent.......	$445,940,750	$445,940,750	$445,940,750	$445,940,750
Funded loan of 1907, 4 "	240,063,300	233,177,400	233,177,400	233,177,400
Refunding certificates, 4 per cent......	32,250	31,980	31,980	31,980
Loan of 1904, 5 per cent................	20,060,150	19,410,350	19,410,350	19,410,350
" 1925, 4 "	139,618,600	134,994,200	134,994,200	134,994,200
Ten-Twenties of 1898, 3 per cent........	97,564,160	97,515,660	97,515,660	97,515,660
Total interest-bearing debt...........	$943,279,210	$931,070,340	$931,070,340	$931,070,340
Debt on which interest has ceased... ...	1,339,790	1,301,880	1,280,860	1,276,810
Debt bearing no interest:				
Legal tender and old demand notes.....	346,734,863	346,734,863	346,734,863	346,734,863
National bank note redemption acct..	35,003,208	41,839,395	42,071,969	41,929,629
Fractional currency....................	6,874,492	6,873,323	6,873,323	6,873,323
Total non-interest bearing debt......	$388,612,563	$395,447,582	$395,680,156	$395,537,816
Total interest and non-interest debt.	1,333,231,564	1,327,819,802	1,328,031,356	1,327,884,966
Certificates and notes offset by cash in the Treasury:				
Gold certificates........................	316,785,089	345,272,089	346,582,089	356,985,089
Silver "	456,087,000	455,607,000	453,997,000	456,217,000
Treasury notes of 1890	38,596,000	31,307,000	30,000,000	28,763,000
Total certificates and notes...........	$811,468,089	$832,186,089	$830,579,089	$841,965,089
Aggregate debt	2,144,699,653	2,160,005,891	2,158,610,445	2,169,850,055
Cash in the Treasury:				
Total cash assets	1,219,631,721	1,257,806,911	1,270,819,710	1,278,479,598
Demand liabilities.......................	898,028,443	912,455,681	912,245,594	924,504,999
Balance	$321,603,278	$345,350,230	$358,574,115	$353,974,599
Gold reserve...............................	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance.........................	171,603,278	195,350,230	208,574,115	203,974,599
Total................................... ...	$321,603,278	$345,350,230	$358,574,115	$353,974,599
Total debt, less cash in the Treasury.	1,011,628,286	982,468,572	969,457,241	973,910,367

Foreign Trade.—For the first time in nearly three years the monthly exports of merchandise fell below $100,000,000 in June. They were only about $89,000,000, the smallest amount since August, 1898, excepting in April, 1899, and less $500,000 larger than in the latter month. The exports were $13,000,000 less than in either May this year or June last year. The imports amounted to $72,705,000, an increase over June, 1901, of $4,000,000. The excess of exports over imports was $16,549,-000, the smallest reported for the month of June in the last five years. In 1901 the balance was $34,000,000, and in 1900 $47,000,000. For the fiscal year ended June

Exports and Imports of the United States.

Month of June.	Merchandise.			Gold Balance.	Silver Balance.
	Exports.	Imports.	Balance.		
1897................	$73,193,034	$85,183,021	Imp., $11,989,987	Exp., $6,533,620	Exp., $2,067,968
1898................	94,978,723	51,265,231	Exp., 43,713,492	Imp., 2,955,083	" 2,127,847
1899................	96,394,227	61,757,309	" 34,636,918	Exp., 17,802,641	" 1,947,906
1900................	108,651,957	61,001,367	" 47,650,590	" 4,384,692	" 288,345
1901................	102,774,263	68,404,657	" 34,369,606	" 2,084,101	" 2,634,548
1902................	89,254,989	72,705,104	" 16,549,885	Imp., 1,050,566	" 1,447,218
Twelve Months.					
1897................	1,050,906,553	764,730,412	Exp., 286,263,144	Imp., 44,653,200	Exp., 31,418,411
1898................	1,231,482,330	616,049,654	" 615,432,676	" 104,985,283	" 24,177,458
1899................	1,227,023,302	697,148,489	" 529,874,813	" 51,432,517	" 25,648,999
1900................	1,394,483,082	849,941,184	" 544,541,898	Exp., 3,693,575	" 21,455,973
1901................	1,487,764,991	823,172,165	" 664,592,826	Imp., 12,866,010	" 27,898,659
1902................	1,382,083,407	902,911,306	" 479,122,099	" 807,968	" 21,500,136

30 the exports were $1,382,000,000, which is below the figures for each of the previous two years. The imports were $903,000,000, the largest recorded, and the net exports were $479,000,000 or $185,000,000 less than in the previous year.

MONEY IN CIRCULATION IN THE UNITED STATES.—There was an increase of more than $14,000,000 in the amount of money in circulation last month, a part of which came from Treasury disbursements. The gain in gold coin and certificates was $9,500,000 in subsidary, silver $3,400,000, and in United States notes $1,200,000. Other increases were unimportant.

MONEY IN CIRCULATION IN THE UNITED STATES.

	May 1, 1902.	June 1, 1902.	July 1, 1902.	Aug. 1, 1902.
Gold coin	$637,482,952	$631,891,637	$629,371,532	$631,156,423
Silver dollars	69,408,380	68,875,764	68,621,718	68,906,465
Subsidiary silver	82,854,599	82,698,865	82,814,940	86,222,459
Gold certificates	306,274,489	306,142,869	307,110,929	314,764,019
Silver certificates	449,123,504	447,949,416	446,650,243	447,445,542
Treasury notes, Act July 14, 1890	32,548,573	31,142,677	29,862,445	28,635,585
United States notes	336,103,114	338,144,737	336,265,855	337,428,669
National bank notes	348,004,661	347,630,020	345,981,750	346,046,965
Total	$2,260,750,242	$2,254,415,975	$2,2·6,529,412	$2,260,606,137
Population of United States	78,890,000	79,003,000	79,117,000	79,230,000
Circulation per capita	$28.66	$28.54	$28.40	$28.53

MONEY IN THE UNITED STATES TREASURY.—The Treasury lost nearly $5,600,000 in net cash in July, $4,000,000 in gold, $2,000,000 in subsidiary silver and $1,000,000 in United States notes, with an increase of $2,200,000 in bank notes.

MONEY IN THE UNITED STATES TREASURY.

	Apr. 1, 1902.	June 1, 1902.	July 1, 1902.	Aug. 1, 1902.
Gold coin and bullion	$548,846,029	$552,697,262	$559,302,052	$562,769,024
Silver Dollars	466,941,477	470,245,230	471,405,336	472,170,589
Silver bullion	33,955,376	30,870,792	29,960,069	28,368,763
Subsidiary silver	10,725,509	12,793,627	14,042,045	13,002,930
United States notes	9,967,171	8,536,279	10,415,161	9,252,347
National bank notes	9,141,233	9,117,164	10,740,341	12,937,219
Total	$1,074,096,795	$1,084,260,854	$1,095,864,974	$1,097,500,872
Certificates and Treasury notes, 1890, outstanding	779,951,690	785,234,962	783,623,617	790,845,146
Net cash in Treasury	$294,145,105	$299,025,892	$312,241,357	$306,655,726

SUPPLY OF MONEY IN THE UNITED STATES.—The total stock of money in the United States on July 1 was $2,567,000,000, an increase of $8,500,000 in the last month. The supply of gold increased more than $5,000,000, and now amounts to nearly $1,194,000,000.

SUPPLY OF MONEY IN THE UNITED STATES.

	Apr. 1, 1902.	June 1, 1902.	July 1, 1902.	Aug. 1, 1902.
Gold coin and bullion	$1,178,540,790	$1,184,588,889	$1,188,573,584	$1,193,925,457
Silver dollars	536,120,929	539,120,994	540,027,054	541,077,054
Silver bullion	33,955,376	30,870,792	29,960,069	28,368,763
Subsidiary silver	93,417,944	95,432,492	96,856,985	98,225,389
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	357,476,407	356,747,184	356,672,091	358,984,184
Total	$2,546,192,462	$2,553,441,367	$2,558,770,769	$2,567,261,863

Certificates and Treasury notes represented by coin, bullion, or currency in Treasury are not included in the above statement.

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of July, and the highest and lowest during the year 1902, by dates, and also, for comparison, the range of prices in 1901:

	YEAR 1901.		HIGHEST AND LOWEST IN 1902.		JULY, 1902.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	91	42¾	94⅛ - July 26	74¼—Jan. 27	94⅛	81⅝	91⅝
" preferred............	108	70	106⅞—July 26	95⅛—Jan. 27	106⅞	98	102
Baltimore & Ohio.............	114⅛	81¾	112⅛—July 21	101 —Jan. 14	112⅛	106	109¼
Baltimore & Ohio, pref........	97	83⅝	97 —Jan. 2	93¾—Feb. 21	97	95⅝	96¾
Brooklyn Rapid Transit......	88⅞	55⅞	72⅜—July 21	60⅞—Feb. 14	72⅜	67	68
Canadian Pacific..............	117⅛	87	141⅝—May 26	112¾—Jan. 28	139¾	134	138
Canada Southern..............	89	54⅛	97 —May 22	85½—Jan. 6	92	89½	91
Central of New Jersey........	196⅝	145¾	198 —Jan. 6	180½—July 7	189	180½	187
Ches. & Ohio vtg. ctfs.........	52⅜	29	57⅝—July 18	45 —Feb. 20	57⅝	46¾	54
Chicago & Alton..............	50⅛	27	45⅝—July 16	33⅛—Jan. 14	45⅝	37	42¾
" preferred............	82¼	72⅛	79 - July 17	74½—June 27	79	74⅛	76¼
Chicago & E. Illinois..........	140	91	220¾—July 30	134¾—Jan. 6	220¾	194½	219½
" preferred............	136	120⅛	151 - July 1	137 —Jan. 10	151	145	148½
Chicago, Great Western......	27	16	32⅛—May 7	22⅝—Jan. 25	32	29½	31⅝
Chic., Indianapolis & Lou'ville	52⅞	23	80 —May 7	49¼—Jan. 14	76⅝	75½	76
" preferred............	77¾	58¾	90 —May 15	75 —Jan. 16	88	86⅝	88
Chic., Milwaukee & St. Paul..	188	134	189⅝—July 25	160⅛—Jan. 27	189⅝	174	186⅛
" preferred	200	175	196⅛—Apr. 4	186 —Jan. 14	196⅞	190	193⅛
Chicago & Northwestern......	215	168⅛	271 —Apr. 29	204⅛—Jan. 14	258½	240	242
" preferred	248	207	274⅛—Apr. 29	230 —Jan. 18	270	266⅛	270
Chicago, Rock I. & Pacific....	175¼	117⅛	200¼—July 26	152 —Jan. 15	200¼	172½	198¾
Chic., St. Paul, Minn. & Om...	146¾	125	170½—Apr. 30	140 —Feb. 6	165	165	165
" preferred	201	180	210 —Apr. 15	195 —Mar. 6	....	....	....
Chicago Terminal Transfer...	31	10⅛	23⅛—Apr. 21	15¼—Feb. 21	22⅝	20⅛	22
" preferred	57⅛	33	42 —Apr. 21	30¼—Feb. 20	40⅞	37	40⅛
Clev., Cin., Chic. & St. Louis..	101	72⅛	108 —July 18	95⅛—Jan. 14	108	103¾	106⅛
Col. Fuel & Iron Co...........	136⅛	41¾	110⅛—Apr. 24	84 —Jan. 8	102¼	88¼	94
Colorado Southern............	18	6⅝	35⅝—July 17	14⅛—Jan. 15	35⅝	30⅛	32¾
" 1st preferred........	60	40	78¼—July 25	59¼—Jan. 15	78¼	72	77½
" 2d preferred........	28¾	16⅛	49⅞—July 18	28 —Jan. 14	49⅞	43¼	48½
Consolidated Gas Co..........	238	187	230¾—Apr. 25	213 —Jan. 16	225¾	221¾	223
Delaware & Hud. Canal Co....	185⅛	105	184⅛—Jan. 7	170 —Mar. 11	181¾	175	179
Delaware, Lack. & Western..	258	188¾	297 —Feb. 4	253 —Jan. 15	286½	278¼	285
Denver & Rio Grande.........	53⅛	29⅛	47 —Apr. 17	41 —Apr. 7	45⅛	41⅛	44¾
" preferred............	103¼	80	95⅛—July 26	88¾—May 19	95⅛	90	93⅛
Erie...........................	45⅛	24⅛	44⅝—Jan. 2	35⅝—May 19	39⅛	36⅝	38¼
" 1st pref..................	75	59¾	75¾—Jan. 2	65¾—May 19	71	68⅛	70¼
" 2d pref..................	62¾	39¼	63¾—Jan. 2	51 —May 17	54	52⅝	53¼
Evansville & Terre Haute....	68	41	74⅝—Mar. 7	50 —Mar. 26	65	51	62
Express Adams................	202	145	210 —Apr. 14	198 —July 11	200	198	200
" American............	219	170	244¾—Feb. 11	210 —Jan. 6	235	225	234
" United States........	100	53	126¾—Apr. 17	97 —Jan. 2	120	114¼	120
" Wells, Fargo.........	199¾	130	215 —Apr. 22	185 —Jan. 24	215	205	214
Great Northern, preferred....	208	167⅛	195 —July 23	181⅛—Mar. 5	195	187¼	191⅛
Hocking Valley...............	75⅛	40⅛	96 —July 30	66 —Jan. 15	96	84⅝	95
" preferred	88⅛	69¾	93 —June 2	81⅛—Jan. 14	93	89¾	92
Illinois Central...............	154¾	124	170¾—July 30	137 —Jan. 14	170¾	159¾	168⅝
Iowa Central..................	43¾	21	51¼—Mar. 10	37⅛—Jan. 15	49⅞	47	47¾
" preferred	87⅛	48	90⅝—Apr. 28	71 —Jan. 14	87¼	84⅛	84⅛
Kansas City Southern.........	25	13⅛	36¾—July 24	19 —Jan. 15	36¾	33⅛	36⅛
" preferred.............	49	35	62¾—Apr. 21	44 —Jan. 14	61⅛	58⅝	60
Kans. City Ft. S. & Mem. pref..	81¼	77⅛	87⅝—July 31	80⅞—Jan. 2	87⅝	81	87
Lake Erie & Western..........	76⅛	39¾	71⅛—Jan. 3	64 —Jan. 15	67	64	65
" preferred	135⅛	108⅛	138 —Feb. 6	125 —Jan. 15	....	....	....
Long Island..................	90	67	91⅞—May 2	78¾—Jan. 15	89⅝	85	86
Louisville & Nashville........	111¾	76	146 —May 7	102⅛—Jan. 27	145⅞	137⅛	144
Manhattan consol............	145	83	140⅝—Jan. 9	128 —Mar. 12	137⅝	131	133⅛
Metropolitan Street...........	177	150	174 - Feb. 5	146 —May 12	152	147⅛	149¼
Mexican Central..............	30	12¾	31⅛—Mar. 31	25⅞—Jan. 15	30⅞	28⅛	30⅛
Mexican National............	15¼	3⅝	20¾—Mar. 10	14⅛—Jan. 15	....	....	....
Minneapolis & St. Louis.......	111¼	67¾	115 —Apr. 19	105 - Jan. 27	114	111	112⅞
" preferred	124	101¾	127¾—Apr. 28	118⅛—Jan. 22	127¼	123¾	127¼
Missouri, Kan. & Tex..........	35½	15	31⅝—July 28	24 —Mar. 5	31⅝	26⅝	31
" preferred......	68⅝	37	64 —July 23	51 —Jan. 13	64	58¼	62⅛

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1901.		Highest and Lowest in 1902.		July, 1902.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Missouri Pacific	124⅛	69	119⅛—July 31	96¾—Mar. 11	119⅛	108⅛	118⅛
N. Y. Cent. & Hudson River	174⅛	139⅝	168⅞—Jan. 2	153⅛—May 19	167¾	154⅛	163⅛
N. Y., Chicago & St. Louis	57⅞	16	57¼—July 23	46⅛—Jan. 15	57¼	52⅛	55⅛
" 2d preferred	95	47	92⅛—May 21	84 —Feb. 4	92	90⅝	90¾
N. Y., Ontario & Western	40⅛	24	36⅛—Jan. 2	32 —Mar. 11	34¾	32⅝	34
Norfolk & Western	61⅜	42	65¼—July 31	55 —Jan. 14	65¼	56	64¾
" preferred	92¼	82	98 —July 23	90 —Feb. 21	98	93	97⅞
North American Co.	109	73⅛	132¾—Apr. 29	88 —Jan. 28	128	121	125⅛
Pacific Mail	49⅛	30⅛	49⅝—Mar. 10	37⅛—May 17	42	39⅛	40
Pennsylvania R. R.	161⅛	137⅛	161¾—July 25	147 —Jan. 14	161¾	151⅝	159
People's Gas & Coke of Chic.	120⅛	95¾	107 —July 23	98¼—Jan. 9	107	101	102
Pullman Palace Car Co.	225	195⅛	250 —Apr. 29	215 —Jan. 13	250	236	249¾
Reading	58	24⅛	68¾—July 17	52¼—Mar. 10	68¾	65¾	67⅛
" 1st prefered	82⅞	65	87⅛—July 17	79⅞—Mar. 10	87⅛	83⅞	87⅛
" 2d preferred	64⅛	38	74⅛—Apr. 22	60 —Jan. 14	73⅝	69¾	73¾
St. Louis & San Francisco	56⅛	21⅛	85⅛—July 31	58¾—Jan. 2	85⅛	68	81⅝
" 1st preferred	88	75	90 —July 30	82⅞—July 19	90	82⅞	88
" 2d preferred	76¼	53⅛	80⅝—July 30	70⅛—May 15	80⅝	72⅝	78⅛
St. Louis & Southwestern	39⅛	16	37⅛—July 24	24¾—Mar. 6	37⅛	30¾	35¾
" preferred	71	41⅛	71¾—July 23	55¼—Mar. 5	71¾	67	69
Southern Pacific Co.	63⅝	29	70⅛—July 26	58 —Jan. 15	70⅛	64⅛	68⅝
Southern Railway	35¾	18	40⅛—Apr. 15	31⅞—Jan. 27	40	36⅝	39⅛
" preferred	94⅝	67¼	98⅛—Apr. 15	92 —Jan. 14	97¾	95¾	97⅛
Tennessee Coal & Iron Co.	76⅝	49⅝	74⅝—Apr. 24	61⅛—Jan. 14	69⅛	62	68¼
Texas & Pacific	52¼	23¼	46⅛—July 17	37⅛—Jan. 15	46⅛	42⅛	45
Toledo, St. Louis & Western	25⅛	10¾	23⅛—Feb. 11	18⅛—Jan. 21	22⅞	20¾	21⅛
" preferred	39⅛	28	43⅝—Feb. 11	35 —Jan. 15	40	37	38¾
Union Pacific	133	76	110⅝—July 26	98¾—Feb. 28	110⅝	104⅛	108
" preferred	99⅛	81⅝	94¼—July 25	86⅝—Mar. 6	94¼	88⅛	93⅛
Wabash R. R.	26	11⅛	31⅛—June 24	21¾—Jan. 14	31⅛	29	30⅝
" preferred	46⅛	23¾	47⅝—June 23	41⅛—Jan. 13	47⅛	44⅞	46¼
Western Union	100¼	81	94⅝—Apr. 19	84¾—July 10	88¾	84¾	87
Wheeling & Lake Erie	22	11⅝	24⅛—July 18	17 —Jan. 27	24⅛	22	23
" second preferred	38	24	38⅛—Apr. 30	28 —Jan. 14	38¼	36¼	36¾
Wisconsin Central	26	14⅛	29⅛—May 7	19⅛—Jan. 30	28⅝	26⅛	28
" preferred	48¾	38⅛	51¾—July 23	39⅛—Jan. 24	51¾	48⅛	50⅛
"Industrial"							
Amalgamated Copper	130	60⅛	79 —Feb. 1	61 —Mar. 25	68¾	62	66¾
American Car & Foundry	35	19	33⅝—June 17	28¼—Apr. 11	33	31¾	32
" pref.	89	67	92⅝—July 8	85¼—Jan. 14	92⅝	89¾	91⅛
American Co. Oil Co.	35⅛	24	57¾—Apr. 28	30⅛—Jan. 10	53⅝	51⅛	51⅛
American Ice	41⅜	25¾	31⅞—Jan. 2	9⅛—July 11	12¾	9⅛	10¾
American Locomotive	37⅞	22⅛	36⅞—Apr. 29	29⅝—May 19	33⅞	31⅛	31¾
" preferred	91¼	83⅝	100¼—Apr. 29	89 —Jan. 3	96	93	93¾
Am. Smelting & Refining Co.	69	38⅛	49⅝—May 26	43⅛—Apr. 22	47⅛	46	46⅝
" preferred	104⅞	88	100⅛—June 23	95 —Apr. 30	98	97	97
American Sugar Ref. Co.	153	103⅛	135⅛—Mar. 31	116¼—Jan. 6	134⅛	124⅛	131⅛
Anaconda Copper Mining	54¼	28¼	146 —Feb. 1	95⅛—July 14	108	95⅛	103
Continental Tobacco Co. pref.	124	93¼	126⅛—June 3	115 —Jan. 2	124	121⅛	122⅛
Distilling Co. of America	10⅛	6⅞	10 —Feb. 3	4⅛—July 4	5⅝	4⅛	4¾
" preferred	34⅛	23¼	42¾—Apr. 4	33 —Jan. 3	37	34¾	35¾
General Electric Co.	289¾	183⅛	334 —Apr. 9	181¾—July 28	315	181¾	183⅛
Glucose Sugar Refinding Co.	65	37	51⅛—Jan. 20	39⅝—Jan. 3	....	....	....
International Paper Co.	28	18⅛	23⅝—Mar. 20	19 —Jan. 14	21	19⅛	19⅝
" preferred	81⅛	69	77⅛—Jan. 6	72⅝—June 24	75	73	73¾
International Power	100⅛	54⅞	199 —Apr. 29	55 —June 4	75⅛	68	68
National Biscuit	46	37	53¼—Mar. 20	43⅝—Jan. 14	48¼	47¾	47⅞
National Lead Co.	25⅛	15	23⅛—May 23	15⅝—Jan. 13	22¼	21	21⅛
Pressed Steel Car Co.	52	30	50¼—May 26	39 —Jan. 14	48⅛	45	47⅛
Republic Iron & Steel Co.	24	11¾	20 —Apr. 24	15⅝—Jan. 2	19⅝	17	18⅝
" preferred	82	55¼	77 —July 31	68 —Jan. 16	77	72¾	76
U. S. Leather Co.	16⅝	7¾	14¾—Apr. 3	11⅛—Feb. 20	13⅛	12	13⅛
" preferred	83¾	69⅛	86⅛—Apr. 3	79⅞—Jan. 21	85¾	83⅝	85¼
U. S. Rubber Co.	34	12⅛	19¼—Apr. 14	14 —Jan. 2	17	14¼	16⅛
" preferred	85	47	64 —Mar. 24	50⅛—Jan. 14	57⅛	55	57⅛
U. S. Steel	55	24	46¾—Jan. 7	36¾—June 19	41	37⅛	39¼
" pref.	101⅞	69	97¾—Jan. 7	87⅛—June 19	92⅝	88¾	89¾

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

LAST SALE, PRICE AND DATE AND HIGHEST AND LOWEST PRICES AND TOTAL SALES FOR THE MONTH.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	JULY SALES. High.	JULY SALES. Low.	JULY SALES. Total.
Ann Arbor 1st g 4's	1995	7,000,000	Q J	100	July 28,'02	100	99½	24,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	138,117,500	A & O	104	July 31,'02	104⅜	103⅛	702,500
• registered		....	A & O	102¾	June26,'02	....	....	....
• adjustment, g. 4's	1995	31,055,000	NOV	97	July 30,'02	97	94⅛	319,500
• registered		....	NOV	94½	Apr. 15,'02	....	....	....
• stamped	1995	20,673,000	M & N	95	July 31,'02	95	91⅝	1,032,000
• serial debenture 4's—								
• series A	1903	2,500,000	F & A			....	....	....
• registered		....	F & A			....	....	....
• series B	1904	2,500,000	F & A			....	....	....
• registered		....	F & A			....	....	....
• series C	1905	2,500,000	F & A			....	....	....
• registered		....	F & A			....	....	....
• series D	1906	2,500,000	F & A			....	....	....
• registered		....	F & A			....	....	....
• series E	1907	2,500,000	F & A			....	....	....
• registered		....	F & A			....	....	....
• series F	1908	2,500,000	F & A			....	....	....
• registered		....	F & A			....	....	....
• series G	1909	2,500,000	F & A			....	....	....
• registered		....	F & A			....	....	....
• series H	1910	2,500,000	F & A			....	....	....
• registered		....	F & A			....	....	....
• series I	1911	2,500,000	F & A			....	....	....
• registered		....	F & A			....	....	....
• series J	1912	2,500,000	F & A			....	....	....
• registered		....	F & A			....	....	....
• series K	1913	2,500,000	F & A			....	....	....
• registered		....	F & A			....	....	....
• series L	1914	2,500,000	F & A	95¼	Apr. 28,'02	....	....	....
• registered		....	F & A			....	....	....
• Chic. & St. L. 1st 6's	1915	1,500,000	M & S			....	....	....
Atl. Knox. & Nor. Ry. 1st g. 5s	1946	1,000,000	J & D	108¼	Dec. 20,'91	....	....	....
Balt. & Ohio prior lien g. 3½s	1925	69,798,000	J & J	95½	July 29,'02	96	95½	28,000
• registered			J & J	97	Apr. 26,'02	....	....	....
• g. 4s	1948	65,963,000	A & O	102¾	July 31,'02	103½	102¾	314,000
• g. 4s. registered			A & O	102½	Feb. 19,'02	....	....	....
• ten year c. deb. g. 4's	1911	6,541,000	M & S	110¼	July 25,'02	112½	108¼	532,000
Pitt Jun. & M. div. 1st g. 3½s	1925	11,293,000	M & N	91	July 1,'02	91	90¾	7,000
• registered			QFeb			....	....	....
Pitt L. E. & West Va. System refunding g 4s	1941	20,000,000	M & N	98¾	July 30,'02	99	97¾	419,000
• Southw'n div. 1st g. 3½s	1925	41,990,000	J & J	90¼	July 29,'02	90½	90	201,000
• registered			Q J	90¼	July 16,'01	90¼	90¼	11,000
Monongahela River 1st g. g., 5's	1919	700,000	F & A	114¼	June27,'02	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s	1930	1,018,000	M & S	112	Nov.14,'99	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,207,000	M & S	117	June26,'02	....	....	....
Alleghany & Wn. 1st g. gtd 4's	1998	2,000,000	A & O			....	....	....
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	130	May 20,'02	....	....	....
• cons. 1st 6's,	1922	3,920,000	J & D	125⅞	July 15,'02	126	125¾	5,000
Buffalo & Susquehanna 1st g. 5's,	1913	575,000	A & O	100	Nov. 18,'99	....	....	....
• registered			A & O			....	....	....
• 1st refundg g. 4's	1951	3,021,000	J & J	103	June16,'02	....	....	....
• registered			J & J			....	....	....
Burlington, Cedar R. & N. 1st 5's,	1906	6,500,000	J & D	104⅞	July 28,'02	104⅞	103⅞	5,000
• con. 1st & col. tst 5's	1934	7,803,000	A & O	124⅜	July 8,'02	124⅜	124⅜	1,000
• registered			A & O	124⅝	Feb. 28,'02	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 5's	1921	1,905,000	A & O	118	Jan. 27,'02	....	....	....
Minneap's & St. Louis 1st 7's, g,	1927	150,000	J & D	140	Aug.24,'95	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	*Principal Due*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JULY SALES. *High.*	JULY SALES. *Low.*	JULY SALES. *Total.*
Canada Southern 1st int. gtd 5's,	1908	14,000,000	J & J	105	July 31,'02	105	104⅝	70,000
• 2d mortg. 5's,	1913	6,000,000	M & S	110	July 17,'02	110	110	1,000
• registered			M & S	107	Aug. 5,'01	....	....	....
Central Branch U. Pac. 1st g. 4's.	1948	2,500,000	J & D	98	June 3,'02	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's,	1937	4,880,000	M & N	109	July 24,'02	109¼	109	9,000
Central R'y of Georgia, 1st g. 5's.	1945	7,000,000	F & A	122	May 27,'02	....	....	....
• registered $1,000 & $5,000			F & A	....	....	....	....	....
• con. g. 5's	1945	16,700,600	M & N	109⅛	July 29,'02	109⅛	109⅛	176,000
• con. g. 5's, reg. $1,000 & $5,000			M & N	105½	Sept. 18,'01	....	....	....
• 1st. pref. inc. g. 5's,	1945	4,000,000	OCT 1	84½	July 29,'02	84½	82	293,000
• 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	88⅜	July 31,'02	89½	85¼	889,000
• 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	26½	July 30,'02	26½	26	29,000
• Chat. div. pur. my. g. 4's.	1951	1,840,000	J & D	92	May 22,'02	....	....	....
• Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	95	Dec. 27,'99	....	....	....
• Mid. Ga. & Atl. div. g 5s.	1947	413,000	J & J	102	June 29,'99	....	....	....
• Mobile div. 1st g. 5's	1946	1,000,000	J & J	112½	Apr. 30,'02	....	....	....
Central Railroad of New Jersey, 1st convertible 7's	1902	1,167,000	M & N	101¼	May 24,'02	....	....	....
• gen. g. 5's	1987	43,924,000	J & J	136½	July 23,'02	137	136½	116,000
• registered			Q J	136¾	July 22,'02	136¾	135½	12,000
Am. Dock & Improvm't Co. 5's,	1921	4,987,000	J & J	115	June 25,'02	...	....	....
Lehigh & H. R. gen. gtd g. 5's	1920	1,062,000	J & J	....	....	....	....	....
Lehigh & W.-B. Coal con. 5's	1912	2,691,000	Q M	106	Mar. 27,'02	....	....	....
• con. extended gtd. 4½'s.	1910	12,175,000	Q M	102	July 23,'02	102⅞	102	15,000
N.Y. & Long Branch gen. g. 4's.	1941	1,500,000	M & S	....	....	....	....	....
Charleston & Sav. 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	112	May 27,'02	....	....	....
• Mortgage gold 6's	1911	2,000,000	A & O	114½	June 25,'02	....	....	....
• 1st con. g. 5's	1939	25,858,000	M & N	121	July 22,'02	121	120	77,000
• registered			M & N	116	July 16,'01	....	....	....
• Gen. m. g. 4½'s	1992	32,833,000	M & S	108⅛	July 30,'02	108⅛	108⅛	269,000
• registered			M & S	103	Apr. 18,'01	....	....	....
• Craig Val. 1st g. 5's	1940	650,000	J & J	116	June 17,'02	....	....	....
• (R. & A. d.) 1st c. g. 4's,	1989	6,000,000	J & J	105⅛	June 20,'02	....	....	....
• 2d con. g. 4's	1989	1,000,000	J & J	99⅛	July 21,'02	99⅛	99	15,000
• Warm S. Val. 1st g. 5's,	1941	400,000	M & S	102¼	Feb. 20,'02	....	....	....
Greenbrier Ry. 1st gtd. 4's	1940	2,000,000	M & N	....	....	....	....	....
Chic. & Alton R. R. s. fund g. 6's.	1903	1,671,000	M & N	102⅝	July 10,'02	102⅞	102⅝	2,000
• refunding g. 3's	1949	29,696,000	A & O	85⅛	July 30,'02	86	85	129,000
• • registered			A & O	....	....	....	....	....
Chic. & Alton Ry 1st lien g. 3½'s.	1950	22,000,000	J & J	83	July 31,'02	83¾	83	247,000
• registered			J & J	83¾	Apr. 16,'02	....	....	....
Chicago, Burl. & Quincy con. 7's.	1903	21,699,000	J & J	103	July 8,'02	103	102¾	4,000
• Chic. & Iowa div. 5's	1905	2,320,000	F & A	104¾	Apr. 11,19'	....	....	....
• Denver div. 4's	1922	5,272,000	F & A	102¾	July 30,'02	102¾	102¾	9,000
• Illinois div. 3½s	1949	26,214,000	J & J	100	July 22,'02	100	99⅛	220,000
• registered			J & J	....	....	....	....	....
• (Iowa div.) sink. f'd 5's,	1919	2,566,000	A & O	114¾	Apr. 18,'02	....	....	....
• 4's	1919	8,390,000	A & O	104⅝	July 1,'02	104⅝	104⅝	1,000
• Nebraska extensi'n 4's,	1927	25,900,000	M & N	109⅝	July 30,'02	109⅝	109	22,000
• registered			M & N	112¾	Apr. 17,'01	....	....	....
• Southwestern div. 4's	1921	2,850,000	M & S	100	Mar. 20,'02	....	....	....
• 4's joint bonds	1921	215,153,000	J & J	96	July 31,'02	96⅛	95	5,204,000
• • registered			Q JAN	95	July 30,'02	95¾	95	29,000
• 5's, debentures	1913	9,000,000	M & N	108¼	July 21,'02	108¼	108¼	12,000
Han. & St. Jos. con. 6's	1911	8,000,000	M & S	119	July 9,'02	119	119	6,000
Chicago & E. Ill. 1st s. f'd c'y. 6's.	1907	2,989,000	J & D	111	July 8,'02	111	111	10,000
• small bonds			J & D	112	Apr. 2,'96	....	....	....
• 1st con. 6's, gold	1934	2,653,000	A & O	139⅞	July 31,'02	139⅞	139⅞	2,000
• gen. con. 1st 5's	1937	12,986,000	M & N	123⅝	July 31,'02	124¼	123½	148,000
• registered			M & N	124¾	Mar. 31,'02	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	125	May 6,'02	....	....	....
Chicago, Indianapolis & Louisville.								
• refunding g. 6's	1947	4,700,000	J & J	131	July 31,'02	131	129⅛	2,000
• ref. g. 5's	1947	3,842,000	J & J	117	June 24,'02	....	....	....
Louisv. N. Alb. & Chic. 1st 6's	1910	3,000,000	J & J	115	May 9,'02	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highes and lowest prices and total sales for the month.

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NAME.	*Principal Due.*	*Amount.*	*Int'st paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JULY SALES. *High.*	JULY SALES. *Low.*	JULY SALES. *Total.*
Chicago, Milwaukee & St. Paul.								
Chicago Mil. & St. Paul con. 7's,	1905	2,606,000	J & J	188¾	July 14,'02	188¾	188	20,000
" terminal g. 5's	1914	4,748,000	J & J	112¾	July 2,'02	112¾	112¾	6,000
" gen. g. 4's, series A	1989	23,676,000	J & J	114⅛	July 11,'02	114⅛	114⅛	3,000
" registered		....	Q J	105½	Feb. 19,'98	....	....	....
" gen. g. 3½'s, series B	1989	2,500,000	J & J	104¾	Jan. 29,'02	....	....	....
" registered			J & J	....	....	....	....	....
" Chic. & Lake Sup. 5's,	1921	1,360,000	J & J	120½	Mar. 31,'02	....	....	....
" Chic. & M. R. div. 5's,	1926	3,083,000	J & J	124⅛	Apr. 29,'02	....	....	....
" Chic. & Pac. div. 6's,	1910	3,000,000	J & J	115¼	July 8,'02	115¼	115¼	1,000
" 1st Chic. & P. W. g. 5's.	1921	25,340,000	J & J	117¾	July 29,'02	118⅛	117¾	5,000
" Dakota & Gt. S. g. 5's.	1916	2,856,000	J & J	118¾	July 12,'02	118¾	118¾	6,000
" Far. & So. g. 6's assu.	1924	1,250,000	J & J	137½	July 18,'98	....	....	....
" 1st H'st & Dk. div. 7's,	1910	5,680,000	J & J	123¾	June 9,'02	....	....	....
" 1st 5's	1910	990,000	J & J	110½	Apr. 16,'02	....	....	....
" 1st 7's, Iowa & D. ex,	1908	1,226,000	J & J	132½	Jan. 22,'02	....	....	....
" 1st 5's, La. C. & Dav.	1919	2,500,000	J & J	118¾	May 26,'02	....	....	....
" Mineral Point div. 5's,	1910	2,840,000	J & J	108⅛	July 16,'02	108⅛	108⅛	1,000
" 1st So. Min. div. 6's	1910	7,432,000	J & J	114⅝	July 11,'02	114⅝	114⅝	3,000
" 1st 6's, Southw'n div.,	1909	4,000,000	J & J	115	Mar. 4,'02	....	....	....
" Wis. & Min. div. g. 5's.	1921	4,755,000	J & J	117⅝	July 24,'02	118⅛	117⅝	5,000
" Mil. & N. 1st M. L. 6's.	1910	2,155,000	J & D	117	Mar. 19,'02	....	....	....
" 1st con. 6's	1913	5,092,000	J & D	123¼	May 14,'02	....	....	....
Chic. & Northwestern con. 7's	1915	12,832,000	Q F	135⅝	July 15,'02	136½	135⅝	2,000
" gold 7's	1902	7,316,000	J & D	101¾	July 11,'02	101¾	101¾	1,000
" registered gold 7's	1902		J & D	101⅝	June 14,'02	....	....	....
" extension 4's	1886-1926	18,632,000	F A 15	107	June 23,'01	....	....	....
" registered			F A 15	107	Mar. 7,19'	....	....	....
" gen. g. 3½'s	1987	13,059,000	M & N	106⅛	June 24,'02	....	....	....
" registered			Q F	103	Nov. 19,'98	....	....	....
" sinking fund 6's	1879-1929	5,808,000	A & O	115⅛	July 22,'02	115⅛	115⅛	14,000
" registered			A & O	111	Oct. 18,19'	....	....	....
" sinking fund 5s'	1879-1929	6,917,000	A & O	109	June 4,'02	....	....	....
" registered			A & O	107⅝	May 24,19'	....	....	....
" deben. 5's	1909	5,900,000	M & N	108⅛	July 28,'02	108⅛	108⅛	20,000
" registered			M & N	108	Oct. 3,'01	....	....	....
" deben. 5's	1921	10,000,000	A & O	115⅛	June 24,'02	....	....	....
" registered			A & O	114	Oct. 23,'01	....	....	....
" sinking f'd deben. 5's.	1933	9,800,000	M & N	123⅛	June 13,'02	....	....	....
" registered			M & N	123	May 28,'01	....	....	....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's	1905	1,600,000	M & S	113	Jan. 23,'01	....	....	....
Northern Illinois 1st 5's	1910	1,500,000	M & S	109½	Mar. 7,'02	....	....	....
Ottumwa C. F. & St. P. 1st 5's	1909	1,600,000	M & S	110¼	Aug. 30,'01	....	....	....
Winona & St. Peters 2d 7's	1907	1,592,000	M & N	116½	June 10,'02	....	....	....
Mil., L. Shore & We'n 1st g. 6's.	1921	5,000,000	M & N	133⅞	July 11,'02	133⅞	133⅞	12,000
" ext. & impt. s. f'd g. 5's	1929	4,148,000	F & A	126½	June 19,'02	....	....	....
" Ashland div. 1st g. 6's	1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
" Michigan div. 1st g. 6's.	1924	1,281,000	J & J	139¾	Jan. 10,'02	....	....	....
" con. deb. 5's	1907	436,000	F & A	107½	Feb. 21,'01	....	....	....
" incomes	1911	500,000	M & N	110¼	May 2,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup.	1917	12,500,000	J & J	129½	July 19,'02	129½	129½	2,000
" registered	1917		J & J	128	July 28,'02	128	127⅞	25,000
" gen. g. 4's	1988	59,581,000	J & J	110⅛	July 31,'02	110⅛	110	69,000
" registered			J & J	112	Apr. 8,'02	....	....	....
" coll. trust serial 4's								
" series A	1903	1,470,000	M & N	....	....	....	....	....
" B	1904	1,470,000	M & N	....	....	....	....	....
" C	1905	1,470,000	M & N	100⅝	July 2,'02	100⅝	100⅝	20,000
" D	1906	1,470,000	M & N	....	....	....	....	....
" E	1907	1,470,000	M & N	....	....	....	....	....
" F	1908	1,470,000	M & N	....	....	....	....	....
" G	1909	1,470,000	M & N	....	....	....	....	....
" H	1910	1,470,000	M & N	99⅝	June 30,'02	....	....	....
" I	1911	1,470,000	M & N	....	....	....	....	....
" J	1912	1,470,000	M & N	....	....	....	....	....
" K	1913	1,470,000	M & N	....	....	....	....	....
" L	1914	1,470,000	M & N	....	....	....	....	....
" M	1915	1,470,000	M & N	99½	July 10,'02	99½	99⅝	23,000
" N	1916	1,470,000	M & N	99⅝	June 28,'02	....	....	....
" O	1917	1,470,000	M & N	....	....	....	....	....
" P	1918	1,470,000	M & N	....	....	....	....	....
Des Moines & Ft. Dodge 1st 4's.	1905	1,200,000	J & J	99½	May 20,'01	....	....	....
" 1st 2½'s	1905	1,200,000	J & J	91¼	July 8,'02	91¼	91¼	1,000
" extension 4 s		672,000	J & J	96	Dec. 19,19'	....	....	....
Keokuk & Des M. 1st mor. 5's	1923	2,750,000	A & O	110½	Apr. 4,'02	....	....	....
" small bond	1923	....	A & O	107	Oct. 1,'01	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	July Sales. High.	July Sales. Low.	July Sales. Total.
Chic., St. P., Minn. & Oma. con. 6's	1930	14,498,000	J & D	138⅛	July 9,'02	139	138⅛	17,000
Chic., St. Paul & Minn. 1st 6's	1918	1,947,000	M & N	138⅛	July 8,'02	138⅛	138⅛	2,000
North Wisconsin 1st mort. 6's	1930	768,000	J & J	140	June 6,'02	....	....	....
St. Paul & Sioux City 1st 6's	1919	6,070,000	A & O	129⅝	June 26,'02	....	....	....
Chic., Term. Trans. R. R. g. 4's	1947	13,635,000	J & J	88⅛	July 31,'02	89⅛	88	83,000
Chic. & Wn. Ind. gen'l g. 6's	1932	9,868,000	Q M	117¾	July 10,'02	117¾	117¾	1,000
Chic. & West Michigan R'y 5's	1921	5,753,000	J & D	109	Apr. 28,'02	....	....	....
Choc., Oklahoma & Gif. gen. g. 5s	1919	5,500,000	J & J	114⅛	May 14,'02	....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's	1905	927,000	A & O	111⅛	Dec. 9,'01	....	....	....
" 2d g. 4½'s	1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's	1941	3,500,000	M & N	114¾	July 16,'02	114¾	114¾	4,000
Clev., Cin., Chic. & St. L. gen. g. 4's	1993	15,650,000	J & D	102	July 24,'02	102⅛	102	33,000
" do Cairo div. 1st g. 4's	1939	5,000,000	J & J	102	Apr. 9,'02	....	....	....
Cin., Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	102	July 24,'02	102	102	8,000
St. Louis div. 1st col. trust g. 4's	1990	9,750,000	M & N	104	June 16,'02	....	....	....
" registered				99	May 4,'99	....	....	....
Sp'gfield & Col. div. 1st g. 4's	1940	1,035,000	M & S	100	June 14,'01	....	....	....
White W. Val. div. 1st g. 4's	1940	650,000	J & J	83	Nov. 22,'99	....	....	....
Cin., Ind., St. L. & Chic. 1st g. 4's	1936	7,685,000	Q F	105⅝	Mar. 31,'02	....	....	....
" registered				95	Nov. 15,'94	....	....	....
" con. 6's	1920	668,000	M & N	107⅛	June 30,'93	....	....	....
Cin., S'dusky & Clev. con. 1st g. 5's	1928	2,571,000	J & J	113⅝	July 31,'01	113⅝	113⅝	1,000
Clev., C., C. & Ind. con. 7's	1914	3,991,000	J & D	134⅛	Jan. 7,'02	....	....	....
" sink. fund 7's	1914		J & D	119⅝	Nov. 19,'89	....	....	....
" gen. consol 6's	1934	3,205,000	J & J	133	May 9,'02	....	....	....
" registered			J & J	....	....	....	....	....
Ind. Bloom. & West. 1st pfd 4's	1940	981,500	A & O	104½	Nov. 19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's	1938	500,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's	1940	8,103,000	A & O	100	July 19,'02	100	100	7,000
" income 4's	1990	4,000,000	A	72⅛	July 30,'02	73	72⅛	121,000
Clev., Lorain & Wheel'g con. 1st 5's	1933	5,000,000	A & O	116⅛	May 27,'02	....	....	....
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	127½	Jan. 25,'02	....	....	....
" registered			Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 4's	1947	8,946,000	J & J	83⅞	July 31,'02	85	83	266,000
Colorado & Southern 1st g. 4's	1929	18,350,000	F & A	96⅝	July 31,'02	97	96⅛	343,000
Conn., Passumpsic Riv's 1st g. 4's	1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's	1907	3,067,000	M & S	117½	May 1,'02	....	....	....
Morris & Essex 1st m 7's	1914	5,000,000	M & N	135	June 24,'02	....	....	....
" 1st c. gtd 7's	1915	12,151,000	J & D	137	June 18,'02	....	....	....
" registered			J & D	140	Oct. 26,'98	....	....	....
" 1st refund. gtd. g. 3½'s	2000	7,000,000	J & D	....	....	....	....	....
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	135¾	June 11,'02	....	....	....
" const. 5's	1923	5,000,000	F & A	117	June 25,'02	....	....	....
" terml. imp. 4's	1923	5,000,000	M & N	102	June 28,'02	....	....	....
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	114¼	May 28,'02	....	....	....
Warren Rd. 1st rfdg. gtd g. 3½'s	2000	905,000	F & A	....	....	....	....	....
Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's	1917	5,000,000	M & S	143	June 5,'02	....	....	....
" reg	1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	115¾	Feb. 19,'02	....	....	....
" registered			A & O	122	June 6,'99	....	....	....
" 6's	1906	7,000,000	A & O	109	June 12,'02	....	....	....
" registered			A & O	109½	Nov. 16,'01	....	....	....
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	147½	June 3,'02	....	....	....
" 1st r 7's	1921		M & N	147½	June 18,'01	....	....	....
Denver & Rio G. 1st con. g. 4's	1936	31,050,000	J & J	102	July 31,'02	102¼	101¾	132,000
" con. g. 4½'s	1936	6,382,000	J & J	110½	May 26,'02	....	....	....
" impt. m. g. 5's	1928	8,103,500	J & D	110	July 31,'02	110	109	12,000
Denv. & Southern Ry g. s. fg. 5's	1929	4,923,000	J & D	90⅝	July 31,'02	91	90	192,000
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	111	Feb. 28,'01	....	....	....
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	102	July 22,'01	102	102	5,000
" g. 4s	1995	1,250,000	J & D	94½	July 22,'02	94½	94	10,000
Detroit Southern 1st g. 4's	1951	2,750,000	J & D	86⅝	July 31,'02	86⅞	86⅝	335,000
" Ohio South. div. 1st g. 4's	1941	4,000,000	M & S	94	July 12,'02	94	94	2,000
Duluth & Iron Range 1st 5's	1937	6,734,000	A & O	115	July 23,'02	115	114	4,000
" registered			A & O	101½	July 23,'89	....	....	....
" 2d l m 6s	1916	2,000,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's	1937	4,000,000	J & J	115	June 20,'02	....	....	....
Elgin Joliet & Eastern 1st g 5's	1941	8,352,000	M & N	114	June 5,'02	....	....	....

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JULY SALES. *High.*	JULY SALES. *Low.*	JULY SALES. *Total.*
Erie 1st ext. g. 4's	1947	2,482,000	M & N	118	May 14,'02			
" 2d extended g. 5's	1919	2,149,000	M & S	119¾	June 6,'02			
" 3d extended g. 4½'s	1923	4,618,000	M & S	116⅛	Apr. 16,'02			
" 4th extended g. 5's	1920	2,926,000	A & O	120	May 26,'02			
" 5th extended g. 4's	1928	709,500	J & D	109¼	Jan. 16,'02			
" 1st cons gold 7's	1920	16,890,000	M & S	140¼	July 16,'02	140¼	139	11,000
" 1st cons. fund g. 7's	1920	3,699,500	M & S	139	July 9,'02	139	139	2,000
Erie R.R. 1st con. g. 4s prior bds.	1996	34,000,000	J&J	99½	July 31,'02	100	98⅝	170,000
" registered			J&J	98½	July 29,'02	98½	98½	5,000
" 1st con. gen. lien g. 4s.	1996	34,885,000	J&J	86½	July 31,'02	87⅞	86⅛	307,000
" registered			J&J					
" Penn. col. trust g. 4's.	1951	32,000,000	F & A	95⅝	July 31,'02	95⅝	94⅝	248,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	133	Jan. 9,'02			
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J					
" small			J&J					
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	122½	July 7,'02	122½	122½	6,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	103¾	Apr. 1,'02			
Long Dock consol. g. 6's	1935	7,500,000	A & O	137¼	June 23,'02			
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N					
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	118½	Apr. 23,'02			
N. Y. & Greenw'd Lake gt g 5's	1946	1,452,000	M&N	109	Oct. 27,'98			
" small								
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	113	July 23,'02	113	113	500
N.Y., Sus. & W. 1st refdg. g. 5's	1937	3,750,000	J & J	117	May 29,'02			
" 2d g. 4½'s	1937	453,000	F & A	103	Apr. 1,'02			
" gen. g. 5's	1940	2,546,000	F & A	110	July 30,'02	110	109	8,000
" term. 1st g. 5's	1943	2,000,000	M & N	116½	May 3,'02			
" registered......$5,000 each			M & N					
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	114¼	June 24,'02			
Evans. & Terre Haute 1st con. 6's	1921	3,000,000	J & J	121½	July 29,'02	122	121½	2,000
" 1st General g 5's	1942	2,223,000	A & O	109¼	July 31,'02	109¼	108⅛	11,000
" Mount Vernon 1st 6's	1923	375,000	A & O	112	June 2,'02			
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sept. 15,'91			
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	115	May 28,'02			
Florida Cen. & Penins. 1st g 5's	1918	3,000,000	J & J	100	Sept. 6,'99			
" 1st land grant ex. g 5's	1930	423,000	J & J					
" 1st con. g 5's	1943	4,370,000	J & J	106½	Feb. 26,'02			
Ft. Smith U'n Dep. Co. 1st g 4½'s	1941	1,000,000	J & J	105	Mar. 11,'98			
Ft. Worth & D. C. ctfs. dep. 1st 6's	1921	8,176,000		112¼	July 31,'02	114	112½	179,000
Ft. Worth & Rio Grande 1st g 5's	1928	2,363,000	J & J	87¾	July 10,'02	87¾	87½	6,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	103	May 22,'02			
Geo. & Ala. 1st con. g 5s	1945	2,922,000	J & J	98½	Nov. 27,19'			
Ga. Car. & N. Ry. 1st gtd. g. 5's	1927	5,360,000	J & J	111½	Mar. 20,'02			
Gulf & Ship Isl. 1st refg. & ter. 5's	1952	2,961,000	J & J					
" registered			J & J					
Hock. Val. Ry. 1st con. g. 4½'s	1999	11,237,000	J & J	108¾	July 31,'02	109	108	46,000
" registered			J & J					
Col. Hock's Val. 1st ext. g. 4's	1948	1,401,000	A & O	105¾	Apr. 28,'02			
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	115½	Apr. 15,'02			
" registered			J&J	113¾	Mar. 12,19'			
" 1st gold 3½'s	1951	2,499,000	J&J	104¼	Mar. 25,'02			
" registered			J&J	102¼	Apr. 15,'98			
" 1st g 3s sterl. £500,000	1951	2,500,000	M & S	92¾	July 18,'96			
" registered			M & S					
" total outstg....$13,950,000								
" collat. trust gold 4's	1952	15,000,000	A & O	106½	June 17,'02			
" regist'd			A & O	102	Oct. 4,'01			
" col. t. g. 4s L. N. O. & Tex.	1953	24,679,000	M & N	104½	July 18,'02	104½	104½	1,000
" registered			M & N	104⅝	May 20,'02			
" Cairo Bridge g 4's	1950	3,000,000	J & D					
" registered			J & D	123	May 24,'99			
" Louisville div. g. 3½'s	1953	14,320,000	J & J	101¼	Apr. 2,'02			
" registered			J & J	88½	Dec. 8,'99			
" Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99			
" St. Louis div. g. 3's	1951	4,939,000	J & J	87½	May 24,'02			
" registered			J & J	101¼	Jan. 31,19'			
" g. 3½'s	1951	6,321,000	J & J	100	July 17,'02	100	100	12,000
" registered			J & J	101½	Sept. 10,'95			
" Sp'gfield div 1st g 3½'s	1951	2,000,000	J & J	100	Nov. 7,19'			
" registered			J & J	124	Dec. 11,'99			
" West'n Line 1st g. 4's	1951	5,425,000	F & A	113¾	Feb. 24,'02			
" registered			F & A	101½	Jan. 31,19'			
Belleville & Carodt 1st 6's	1923	470,000	J & D	124	May 16,'01			

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Carbond'e & Shawt'n 1st g. 4's	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,555,000	J D 15	127¼	June30,'02	....	....	....
" gold 5's, registered			J D 15	124	Sept.24,'01	....	....	....
" g. 3½'s	1951	1,352,000	J D 15	104⅝	Apr. 11,'02	....	....	....
" registered			J D 15	106¼	Aug.17,'99	....	....	....
" Memph. div. 1st g. 4's	1951	3,500,000	J & D	106¾	July 12,'02	106¾	106¾	1,000
" registered			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's	1931	538,000	M & S	101	Mar. 3,'02	....	....	....
Ind., Dec. & West. 1st g. 5's	1935	1,824,000	J & J	107	July 12,'02	107	107	3,000
" 1st gtd. g. 5's	1935	933,000	J & J	105½	Oct. 7,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's	1950	4,850,000	J & J	102¾	Mar. 22,'02	....	....	....
Internat. & Gt. N'n 1st. 6's, gold	1919	9,795,000	M & N	125¼	July 24,'02	125¼	124	67,000
" 2d g. 5's	1909	8,895,000	M & S	101	July 31,'02	102	98½	675,000
" 3d g. 4's	1921	2,729,000	M & S	75	May 13,'02	....	....	....
Iowa Central 1st gold 5's	1938	7,650,000	J & D	117½	July 21,'02	117½	117½	5,000
" refunding g. 4's	1951	2,000,000	M & S	97	July 1,'02	97	97	10,000
Kansas C. & M. R. & B. Co. 1st gtd g. 5's	1929	3,000,000	A & O	....	....	....	....	....
Kansas City Southern 1st g. 3's	1950	30,000,000	A & O	72⅜	July 31,'02	72½	72	177,000
" registered			A & O	63¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	121	July 23,'02	121	120¾	13,000
" 2d mtge. g. 5's	1941	3,625,000	J & J	118	July 8,'02	118	118	1,000
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	115¾	July 30,'02	115¾	114½	21,000
Lehigh Val. (Pa.) coll. g. 5's	1997	8,000,000	M & N	110	Feb. 3,'02	....	....	....
" registered			M & N	....	....	....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s	1940	15,000,000	J&J	109¾	July 12,'02	109¾	109¾	8,000
" registered		....	J&J	109½	June18,'02	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's	1941	10,000,000	A & O	118⅜	June21,'02	....	....	....
" registered			A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's	1933	10,280,000	J & J	109	June27,'01	....	....	....
" registered	1933		J & J	....	....	....	....	....
Lehigh & N. Y., 1st gtd g. 4's	1945	2,000,000	M&S	97	July 8,'02	97	97	2,000
" registered			M&S	....	....	....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....	....	....	....	....
" " g. gtd 5's	1914	1,250,000	A & O	101⅛	Sept. 1,'99	....	....	....
Long Island 1st cons. 5's	1931	3,610,000	Q J	122	Mar. 27,'02	....	....	....
" 1st con. g. 4's	1931	1,121,000	Q J	101	Nov. 22,'99	....	....	....
Long Island gen. m. 4's	1938	3,000,000	J & D	103	July 29,'02	103	103	5,000
" Ferry 1st g. 4½'s	1922	1,500,000	M & S	103	May 29,'02	....	....	....
" g. 4's	1932	325,000	J & D	102½	May 5,'97	....	....	....
" unified g. 4's	1949	6,360,000	M & S	102¼	July 31,'02	102¾	102¼	82,000
" deb. g. 5's	1934	1,135,000	J & D	111	Jan. 22,'02	....	....	....
Brooklyn & Montauk 1st 6's	1911	250,000	M & S	....	....	....	....	....
" 1st 5's	1911	750,000	M & S	109½	June17,'96	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's	1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's	1927	883,000	M & S	112½	Jan. 10,'02	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's	1932	1,425,000	QJAN	112½	Apr. 9,'02	....	....	....
Louis. & Nash. gen. g. 6's	1930	8,911,000	J & D	119	July 11,'02	119	119	18,000
" gold 5's	1937	1,764,000	M & N	116	June19,'02	....	....	....
" Unified gold 4's	1940	29,276,000	J & J	102¼	July 30,'02	102¼	101¼	135,000
" registered	1940		J & J	83	Feb. 27,'93	....	....	....
" collateral trust g. 5's	1931	5,129,000	M & N	115	Feb. 24,'02	....	....	....
" coll. tr 5-20 g 4's	1903-1918	7,500,000	A & O	100¼	July 30,'02	101⅛	100¼	42,000
" Cecilian branch. 7's	1907	325,000	M & S	106	Dec. 31,19'	....	....	....
" E., Hend. & N. 1st 6's	1919	1,840,000	J & D	115	May 9,'02	....	....	....
" L. Cin. & Lex. g. 4½'s	1931	3,258,000	M & N	103	Jan. 18,'98	....	....	....
" N. O. & Mobile 1st g. 6's	1930	5,000,000	J & J	130½	Feb. 28,'02	....	....	....
" 2d g. 6's	1930	1,000,000	J & J	124⅝	Apr. 16,'02	....	....	....
" Pensacola div. g. 6's	1920	580,000	M & S	116⅝	Mar. 22,'02	....	....	....
" St. Louis div. 1st g. 6's	1921	3,500,000	M & S	125½	May 27,'02	....	....	....
" 2d g. 3's	1980	3,000,000	M & S	75	June20,'02	....	....	....
" H. B'ge 1st sk'fd. g 6's	1931	1,652,000	M & S	....	....	....	....	....
" Ken. Cent. g. 4's	1987	6,742,000	J & J	100	July 25,'02	100	99	4,000
" L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	110½	Mar. 20,'02	....	....	....
" N. Fla. & S. 1st g. g. 5's	1937	2,096,000	F & A	114¾	Feb. 11,'02	....	....	....
" Pen. & At. 1st g. g. 6's	1921	2,659,000	F & A	117	July 21,'02	117	115	22,000
" S. & N. A. con. gtd. g. 5's	1936	3,678,000	F & A	115	Dec. 5,'01	....	....	....
" So. & N. Ala. si'fd. g. 6s	1910	1,942,000	A & O	92½	Sept. 30,'96	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's	1945	3,000,000	M & S	100	Mar. 19,'01	....	....	....
Manhattan Railway Con. 4's	1990	28,065,000	A & O	104⅞	July 31,'02	105	104¼	71,000
" registered			A & O	105¼	May 7,'01	....	....	....

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Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	113⅞	June27,'02			
Manitoba Swn. Coloniza'n g. 5's,	1934	2,544,000	J & D					
Mexican Central.								
" con. mtge. 4's	1911	65,643,000	J & J	82½	July 31,'02	82½	81¾	108,000
" 1st con. inc. 3's	1939	20,511,000	JULY	33¼	July 31,'02	33½	32	1,017,000
" 2d 3's	1939	11,724,000	JULY	22¼	July 28,'02	22¾	22	214,000
" equip. & collat. g. 5's	1917	700,000	A & O					
" 2d series g. 5's	1919	815,000	A & O					
" col.trust g.4½'s1st se of	1907	10,000,000	F & A	98⅝	July 23,'02	98⅝	98¼	175,000
Mexican Internat'l 1st con g. 4's,	1977	3,362,000	M & S	90⅝	July 29,'01			
" stamped gtd.		3,621,000						
Mexican Northern 1st g. 6's	1910	1,102,000	J & D					
" registered			J & D	105	May 2,19'			
Minneapolis & St. Louis 1st g. 7's	1927	950,000	J & D	147½	Jan. 9,'02			
" Iowa ext. 1st g. 7's	1909	1,015,000	J & D	118	June10,'02			
" Pacific ext. 1st g. 6's	1921	1,382,000	J & A	127	June10,'02			
" Southw. ext. 1st g. 7's	1910	636,000	J & D	121	Jan. 21,'02			
" 1st con. g. 5's	1934	5,000,000	M & N	123	July 24,'02	123	123	3,000
" 1st & refunding g. 4's	1949	7,600,000	M & S	106	July 30,'02	106	105¼	45,000
Minneapolis & Pacific 1st m. 5's	1936	3,208,000	J & J	102	Mar. 26,'87			
" stamped 4's pay. of int. gtd.								
Minn., S. S. M. & Atlan. 1st g. 4's	1926	8,280,000	J & J	103	Nov.11,'01			
" stamped pay. of int. gtd.				89¾	June 18,'91			
Minn., S. P. & S. S. M., 1st c. g. 4's	1938	21,949,000	J & J	98	Apr. 3,'01			
" stamped pay. of int. gtd.								
Missouri, K. & T. 1st mtge g. 4's	1990	39,718,000	J & D	100¼	July 31,'02	100½	99¾	196,500
" 2d mtge. g. 4's	1990	20,000,000	F & A	86½	July 31,'02	87¼	85⅝	546,500
" 1st ext gold 5's	1944	2,548,000	M & N	107½	June30,'02			
St. Louis div. 1st refundg 4s	2001	1,841,000	A & O	87¼	July 31,'02	88¼	86	259,000
Dallas & Waco 1st gtd. g. 5's	1940	1,340,000	M & N	102¼	May 12,'02			
Mo. K.&T. of Tex 1st gtd.g. 5's	1942	3,597,000	M & S	107¾	July 8,'02	107¾	107¾	2,000
Sher.Shrevept & So1st gtd.g.5's	1943	1,689,000	J & D	105½	July 28,'02	105½	105½	1,000
Kan. City & Pacific 1st g. 4's	1990	2,500,000	F & A	90⅞	June 3,'02			
Tebo. & Neosho 1st 7's	1903	187,000	J & D					
Mo. Kan. & East'n 1st gtd. g. 5's	1942	4,000,000	A & O	112½	July 29,'02	112½	112½	15,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	124½	July 18,'02	124½	124¼	20,000
" 3d mortgage 7's	1906	3,828,000	M & N	112½	July 15,'02	112½	112½	10,000
" trusts gold 5's stamp'd	1917	14,376,000	M & S	108¾	July 31,'02	109	108¼	84,000
" registered			M & S					
" 1st collateral gold 5's	1920	9,636,000	F & A	108¾	July 31,'02	109	108	205,000
" registered			F & A					
Cent. Branch Ry.1st gtg. g. 4's	1919	3,459,000	F & A	95⅝	July 29,'02	95⅝	95	16,000
Leroy & Caney Val. A. L. 1st 5's	1926	520,000	J & J	100	May 1,'01			
Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	106	June13,'02			
" 2d extended g. 5's	1938	2,573,000	F & A	116	June19,'02			
St. L. & I. g. con. R.R.&l.gr. 5's	1931	36,418,000	A & O	117¼	July 29,'02	117¼	116½	21,000
" stamped gtd gold 5's	1931	6,945,000	A & O	114	July 29,'02	114	114	1,000
" unify'g & rfd'g g. 4's	1929	24,195,000	J & J	93	July 31,'02	93¼	92¼	153,000
" registered			J & J					
Verdigris V'y Ind. & W. 1st 5's	1926	750,000	M & S					
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	109	Aug.31,19'			
" small		226,000	J & J					
" mtg. g. 4's	1945	700,000	J & J	93	Apr. 25,'02			
" small		500,000						
Mob. Jackson&Kan.City 1stg.5's	1946	1,000,000	J & D	102	July 25,'02	102	100	25,000
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	129	June25,'02			
" 1st extension 6's	1927	974,000	J & D	127	Feb. 3,'02			
" gen. g. 4's	1938	9,472,000	Q J	99½	July 7,'02	99½	99½	2,000
" Montg'rydiv.1st g.5's	1947	4,000,000	F & A	116⅞	July 8,'02	116⅞	116⅞	10,000
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	101½	June30,'02			
" collateral g. 4's	1930	2,494,000	Q F	96½	Nov. 30,'01			
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	125¾	July 31,'02	125¾	125¾	7,000
" 1st cons. g. 5's	1928	7,412,000	A & O	115½	July 28,'02	115½	115½	10,000
" 1st g.6's Jasper Branch	1923	371,000	J & J	123	Mar. 28,'01			
" 1st 6's McM. M.W. & Al.	1917	750,000	J & J	116	July 31,'02	116	116	4,000
" 1st 6's T. & Pb.	1917	300,000	J & J	110	Dec. 20,'99			
Nat.R.R.of Mex.priorlieng.4½'s	1926	20,000,000	J & J	101¼	July 25,'02	101¾	101¼	30,000
" 1st con. g. 4's	1951	22,000,000	A & O	78½	July 30,'02	79	78	61,000
N. O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108½	Aug.13,'94			

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N. Y. Cent. & Hud. R. 1st c. 7's	1903	18,327,000	J & J	101½	July 23,'02	101½	101⅜	18,000
• 1st registered	1903		J & J	104⅝	June10,'02			
• g. mortgage 3½s	1997	40,426,000	J & J	106¾	July 11,'02	107	106¾	4,000
• • registered			J & J	108½	Apr. 2,'02			
• debenture 5's	1884-1904	4,499,000	M & S	103½	July 11,'02	103½	103½	1,000
debenture 5's reg			M & S	102½	Apr. 29,'02			
• reg. deben. 5's	1889-1904	649,000	M & S	103⅛	Apr. 30,'01			
• debenture g. 4's	1890-1905	5,097,000	J & D	101¾	Apr. 11,'02			
• registered			J & D	100¼	Jan. 4,'02			
• deb. cert. ext. g. 4's	1905	3,609,000	M & N	100½	June10,'02			
• registered			M & N	100⅛	Nov.21,'01			
Lake Shore col. g. 3½s	1998	90,578,000	F & A	96	July 30,'02	96	95½	201,000
• registered			F & A	93	July 22,'02	94½	93	17,000
Michigan Central col. g. 3½s	1998	19,336,000	F & A	94¾	July 31,'02	95⅝	94¾	41,000
• registered			F & A	93¼	Feb. 15,'02			
Beech Creek 1st. gtd. 4's	1936	5,000,000	J & J	111¼	Oct. 10,'01			
• registered			J & J	106	June17,'98			
• 2d gtd. g. 5's	1936	500,000	J & J					
• registered			J & J					
• ext. 1st. gtd. g. 3½'s	1951	4,500,000	A & O					
• registered			A & O					
Carthage & Adiron. 1st gtd g. 4's	1981	1,100,000	J & D					
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A.	1940	770,000	J & J	95	Apr. 3,'02			
• small bonds series B		33,100	J & J					
Gouv. & Oswega. 1st gtd g. 5's	1942	300,000	J & D					
Mohawk & Malone 1st gtd g. 4's	1991	2,500,000	M & S	107½	July 6,19'			
• inc. 5's	1992	3,900,000	Sept.	110¼	Dec. 6,'01			
N. Jersey Junc. R. R. g. 1st 4's	1986	1,650,000	F & A	108	Dec. 14,'01			
• reg. certificates			F & A					
N.Y. & Putnam 1st con. gtd g. 4's	1993	4,000,000	A & O	105½	Nov.15,'96			
Nor. & Montreal 1st g. gtd 5's	1916	130,000	A & O					
West Shore 1st guaranteed 4's	2361	50,000,000	J & J	114	July 31,'02	114½	113½	90,000
• registered			J & J	113¼	July 24,'02	114	113	46,000
Lake Shore con. 2d 7's	1903	6,312,000	J&D	104½	June24,'02			
• con. 2d registered	1903		J&D	104⅜	May 20,'02			
• g 3½s	1997	43,119,000	J & D	107¼	July 24,'02	107½	107⅛	53,000
• registered			J & D	111	May 2,19'			
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	114	Feb. 6,'02			
Kal., A. & G. R. 1st gtd c. 5's	1938	840,000	J & J					
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	127½	Feb. 6,'01			
Pitt McK'port & Y. 1st gtd 6's	1932	2,250,000	J & J	146⅝	Apr. 12,'01			
• 2d gtd 6's	1934	900,000	J & J					
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J					
Michigan Cent. 6's	1909	1,500,000	M & S	118⅝	Dec. 4,'01			
• 5's	1931	3,576,000	M & S	128	June21,'02			
• 5's reg	1931		Q M	127	June19,'02			
• 4's	1940	2,600,000	J & J	110	Dec. 7,'01			
• 4's reg			J & J	106½	Nov.26,19'			
• g. 3½'s sec. by 1st mge. on J. L. & S.		2,000,000	M & S					
Battle C. Sturgis 1st g. g. 3's	1989	476,000	J & D					
N. Y. & Harlem 1st mort. 7's c	1900	12,000,000	M & N	102¾	Mar. 18,19'			
• 7's registered	1900		M & N	102¾	Apr. 6,19'			
N. Y. & Northern 1st g. 5's	1927	1,200,000	A & O	121½	May 1,'02			
R. W. & Og. con. 1st ext. 5's	1922	9,081,000	A & O	122½	July 14,'02	123½	122½	21,000
coup. g. bond currency			A & O					
Oswego & Rome 2d gtd gold 5's	1915	400,000	F & A	113¾	Jan. 25,'02			
R. W. & O. Ter. R. 1st g. gtd 5's	1918	375,000	M & N					
Utica & Black River gtd g. 4's	1922	1,800,000	J & J	110½	Nov.25,19'			
N.Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	107	July 29,'02	107	105⅝	40,000
• registered			A & O	107	Dec. 20,'01			
N. Y., N. Haven & H. 1st reg. 4's	1903	2,000,000	J & D	100	Dec. 18,'01			
• con. deb. receipts	$1,000	15,007,500	A & O	225	June26,'01			
• small certifs.	$100	1,430,000		220	July 19,'02	220	220	200
Housatonic R. con. g. 5's	1937	2,838,000	M & N	135½	Jan. 14,'02			
New Haven and Derby con. 5's	1918	575 000	M & N	115½	Oct. 15,'94			
N. Y. & New England 1st 7's	1905	6,000,000	J & J	114	Jan. 5,19'			
• 1st 6's	1905	4,000,000	J & J	106¼	Mar. 18,'02			
N.Y., Ont. & W'n. ref'ding 1st g. 4's	1992	16,937,000	M & S	104	July 31,'02	104½	103½	65,000
• registered ......$5,000 only.			M & S	101½	Nov.30,'98			
Norfolk & Southern 1st g. 5's	1941	1,350,000	M & N	116½	Mar. 25,'02			
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	133	July 16,'02	133	133	1,000
• imp'ment and ext. 6's	1934	5,000,000	F & A	136	July 24,'02	136	135½	2,000
• New River 1st 6's	1932	2,000,000	A & O	135	July 1,'02	135	135	15,000

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Norfolk & West. Ry 1st con. g. 4s.	1996	33,210,500	A & O	101¾	July 31,'02	102	101⅝	441,500
″ registered			A & O	100⅛	Jan. 13,'02	....	....	....
″ small bonds			A & O	....	....	....	....	....
″ Pocahon C.&C.Co.jt.4's.	1941	20,000,000	J & D	94⅝	July 31,'02	95	93¾	1,617,000
″ C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	107⅛	July 1,'01	....	....	....
″ Sci'o Val & N.E.1st g.4's,	1989	5,000,000	J & N	102⅛	July 17,'02	102⅛	102	10,000
N. P. Ry prior ln ry.&ld.gt.g.4's.	1997	98,868,500	Q J	104⅝	July 30,'02	104⅛	104	568,500
″ registered			Q J	104¼	July 12,'02	104¼	104¼	5,000
″ gen. lien g. 3's	2047	56,000,000	Q F	75¼	July 31,'02	75¼	74¾	454,500
″ registered			Q F	72	Apr. 11,'02	....	....	....
St. Paul & Duluth div. g. 4's	1996	9,215,000	J & D	102⅛	May 20,'02	....	....	....
″ registered			J & D	....	....	....	....	....
St. Paul & N. Pacific gen g. 6's.	1923	7,985,000	F & A	129⅛	May 1,'02	....	....	....
″ registered certificates			Q F	132	July 28,'98	....	....	....
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	122	Apr. 15, 02	....	....	....
″ 2d 5's	1917	2,000,000	A & O	111⅛	June 3,'02	....	....	....
″ 1st con. g. 4's	1968	1,000,000	J & D	102	Apr. 28,'02	....	....	....
Washington Cen. Ry 1st g. 4's.	1948	1,538,000	QMCH	94⅛	Feb. 19,'01	....	....	....
Nor. Pacific Term. Co. 1st g. 6's.	1933	3,741,000	J & J	116	July 1,'02	116	116	1,000
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	112⅛	June 3,'01	....	....	....
″ gen. mortg. g 6's	1937	2,428,000	A & O	108⅛	July 9,02'	108⅛	108⅛	9,000
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	112	July 30,'02	112	111	10,000
Panama 1st sink fund g. 4½'s	1917	2,526,000	A & O	102⅛	May 14,'02	....	....	....
″ s. f. subsidy g 6's	1910	1,202,000	M & N	102	Apr. 14,'02	....	....	....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	111¼	July 3,'02	111¼	111¼	2,000
″ reg	1921		J & J	110⅝	July 8,'02	110⅝	110⅝	11,000
″ gtd.3½ col.tr.reg. cts.	1937	5,000,000	M & S	114⅛	Feb. 15,'99	....	....	....
″ gtd.3½ col.tr.cts.serB	1941	10,000,000	F & A	98¼	July 7,'02	98¼	98¼	1,000
″ Trust Co.ctfs. g. 3½'s.	1916	20,000,000	M & N	97½	May 12.'02	....	....	....
Chic., St. Louis & P. 1st c. 5's.	1932	1,506,000	A & O	123	July 2,'02	123	123	4,000
″ registered		....	A & O	110	May 3,'92	....	....	....
Clev.&P.gen.gtd.g.4½'s Ser. A.	1942	3,000,000	J & J	121	Oct. 22,19'	....	....	....
″ Series B	1942	1,561,000	A & O	....	....	....	....	....
″ ″ int. reduc. 3½ p.c.		439,000	......	....	....	....	....	....
″ Series C 3½s	1948	3,000,000	M & N	....	....	....	....	....
″ Series D 3½s	1950	1,718,000	F & A	....	....	....	....	....
E.&Pitts. gen.gtd.g.3½s Ser.B.	1940	2,250,000	J & J	102	Nov. 7,19'	....	....	....
″ ″ ″ C.	1940	1,508,000	J & J	....	....	....	....	....
Newp. & Cin. Bge Co. gtd g. 4's.	1945	1,400,000	J & J	....	....	....	....	....
Pitts., C. C. & St. L. con. g 4½'s..								
″ Series A	1940	10,000,000	A & O	115⅛	June17,'02	....	....	....
″ Series B gtd	1942	8,786,000	A & O	115⅝	July 1,'02	115⅝	115⅝	2,000
″ Series C gtd	1942	1,379,000	M & N	116⅛	Feb. 14,'01	....	....	....
″ Series D gtd. 4's	1945	4,983,000	M & N	106¾	Nov. 4,'01	....	....	....
″ Series E gtd. g. 3½s	1949	11,257,000	F & A	97½	June13,'02	....	....	....
Pitts., Ft. Wayne & C. 1st 7's.	1912	2,407,000	J & J	132	June13,'02	....	....	....
″ 2d 7's	1912	2,047,500	J & J	131⅛	May 2,'02	....	....	....
″ 3d 7's	1912	2,000,000	A & O	130	Apr. 11,'01	....	....	....
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	M & N	110⅛	Mar. 8,'02	....	....	....
con. sterling gold 6 per cent	1905	22,762,000	J & J	....	....	....	....	....
con. currency, 6's registered	1905	4,718,000	Q M 15	....	....	....	....	....
con. gold 5 per cent	1919	4,998,000	M & S	....	....	....	....	....
″ registered			Q M	....	....	....	....	....
con. gold 4 per cent	1943	3,000,000	M & N	....	....	....	....	....
Allegh. Valley gen. gtd. g. 4's	1942	5,389,000	M & S	110	Aug.28,19'	....	....	....
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	112¾	Mar. 7,19'	....	....	....
Del.R. RR.& BgeCo 1stgtdg.4's,	1936	1,300,000	F & A	....	....	....	....	....
G.R.& Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	111⅛	Mar. 19,'02	....	....	....
Sunbury & Lewistown 1stg.4's.	1936	500,000	J & J	....	....	....	....	....
U'd N.J. RR. & Can Co. g 4's	1944	5,646,000	M & S	117	May 1,19'	....	....	....
Peoria & Pekin Union 1st 6's	1921	1,495,000	Q F	130¼	Feb. 10,'02	....	....	....
″ 2d m 4½'s	1921	1,499,000	M & N	101	Oct. 31,19'	....	....	....
Pere Marquette.								
Flint & Pere Marquette g. 6's.	1920	3,999,000	A & O	125	June23,'02	....	....	....
″ 1st con. gold 5's	1939	2,850,000	M & N	112	May 24,'02	....	....	....
″ Port Huron d 1st g 5's.	1939	3,325,000	A & O	118⅛	July 7,'02	118⅛	118⅛	10,000
Sag'w Tusc. & Hur.1st gtd.g.4's.	1931	1,000,000	F & A	....	....	....	....	....
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93	....	....	....
Pittsburg, Clev. & Toledo 1st 6's.	1922	2,400,000	A & O	107⅛	Oct. 26,'93	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	July Sales. High.	July Sales. Low.	July Sales. Total.
Pittsburg, Junction 1st 6's.......1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A, 1928	2,000,000	A & O	112	Mar. 25,'98	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's, 1940	3,000,000	A & O	121	May 2,'02	....	....	....
" 1st cons. 5's.............1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....
Pittsburg & West'n 1st gold 4's, 1917	1,589,000	J & J	102⅛	June19,'02	....	....	....
" J. P. M. & Co., ctfs., ...	8,111,000	......	101	Apr. 23,'02	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's, 1927	1,562,000	M & N	111	June 3,'02	....	....	....
Reading Co. gen. g. 4's...........1997	64,695,000	J & J	98	July 31,'02	99	97⅞	589,000
" registered..................		J & J	92	Apr. 16,19'	....	....	....
" Jersey Cent. col. g. 4's..1957	23,000,000	......	96½	July 31,'02	97	96	213,000
" " registered.....	....	......	....		....	....	....
Rio Grande West'n 1st g. 4's.....1939	15,200,000	J & J	100¾	July 31,'02	101¼	100	73,000
" mge & col.tr.g.4's ser.A.1949	10,000,000	A & O	94	July 31,'02	94¾	93¼	57,000
" Utah Cen. 1st gtd. g. 4's.1917	550,000	A & O	97	Jan. 3,02'	....	....	....
Rio Grande Junc'n 1st gtd. g. 5's, 1939	1,850,000	J & D	114	May 13,'02	....	....	....
Rio Grande Southern 1st g. 4's..1940	2,233,000	J & J	80⅛	July 3,'02	80⅛	80⅛	15,000
" guaranteed...............	2,277,000	......	92½	Apr. 30,'02	....	....	....
Rutland RR 1st con. g. 4½ s....1941	2,440,000	J & J	....		....	....	....
Ogdnsb.&L.Ch'n.Ry.1st gtd g4s1948	4,400,000	J & J	....		....	....	....
Rutland Canadian 1stgtd.g.4's.1949	1,350,000	J & J	101¼	Nov.18,'01	....	....	....
Salt Lake City 1st g. sink fu'd 6's, 1913	297,000	J & J	....		....	....	....
St. Jo. & Gr. Isl. 1st g. 2.3-4s.......1947	3,500,000	J & J	96	July 21,'02	96	96	19,000
St. L. & Adirondack Ry. 1st g. 5's.1996	800,000	J & J	....		....	....	....
" 2d g. 6's...............1996	400,000	A & O	....		....	....	....
St. Louis & San F. 2d 6's, Class B, 1906	999,000	M & N	107½	July 9,'02	107½	107½	5,000
" 2d g. 6's, Class C......1906	830,000	M & N	107	May 14,'02	....	....	....
" gen. g. 6's..............1931	3,715,000	J & J	130⅛	July 10,'02	130⅛	130⅛	3,000
" gen. g. 5's.............1931	5,817,000	J & J	114⅛	July 11,'02	114⅛	114⅛	15,000
St. L & San F. R. R. con. g. 4's.1996	1,595,000	J & D	99	June 5,'02	....	....	....
" S. W. div. g. 5's........1947	830,000	A & O	100	Jan. 3,'02	....	....	....
" refunding g. 4's.......1951	40,514,000	J & J	99	July 28,'02	99	97	66,000
" " registered...		J & J	....		....	....	....
Kan. Cy Ft.S.&MemRRcong6's1928	13,736,000	M & N	125⅛	June16,'01	....	....	....
Kan.Cy Ft.S &MRyrefggtd g4s.1936	12,055,000	A & O	91¼	July 31,'02	91⅝	90¼	318,000
" registered.................		A & O	....		....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs., 1989	20,000,000	M & N	99⅝	July 31,'02	100¼	99⅝	283,000
" 2d g. 4's inc. Bd. ctfs....1989	3,272,500	J & J	89½	July31,'02	90	85	612,500
" Trust Co. certifs...........	6,727,500	......	81⅝	June30,'02	....	....	....
" con. g. 4's.... 1932	12,054,000	J & D	89	July 31,'02	90	88	58,000
Gray's Point, Term. 1st gtd. g. 5's.1947	339,000	J & D	....		....	....	....
St. Paul, Minn. & Manito'a 2d 6's..1909	7,503,000	A & O	115½	June12,'02	....	....	....
" 1st con. 6's............1933	13,344,000	J & J	141	Apr. 30,'02	....	....	....
" 1st con. 6's, registered....		J & J	140	May 14,'02	....	....	....
" 1st c. 6's, red'd to g. 4½'s...	20,176,000	J & J	118	July 23,'02	118	112	3,000
" 1st cons. 6's register'd....		J & J	115¼	Apr. 15,'01	....	....	....
" Dakota ext'n g. 6's...1910	5,576,000	M & N	115⅝	June24,'02	....	....	....
" Mont. ext'n 1st g. 4's..1937	10,185,000	J & D	105¼	July 31,'02	106¾	105¼	11,000
" registered................		J & D	106	May 6,'01	....	....	....
Eastern R'y Minn, 1std. 1st g. 5's..1908	4,700,000	A & O	106⅝	June 3,'02	....	....	....
" registered................		A & O	....		....	....	....
" Minn. N. div. 1st g. 4's..1940	5,000,000	A & O	....		....	....	....
" registered................		A & O	....		....	....	....
Minneapolis Union 1st g. 6's....1922	2,150,000	J & J	128	Apr. 4,19'	....	....	....
Montana Cent. 1st 6's int. gtd..1937	6,000,000	J & J	141¼	Apr. 24,'02	....	....	....
" 1st 6's, registered.........		J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's............ 1937	4,000,000	J & J	124½	June12,'02	....	....	....
" registered................		J & J	....		....	....	....
Willmar & Sioux Falls 1st g. 5's, 1938	3,625,000	J & D	125½	Feb. 17,'02	....	....	....
" registered................		J & D	....		....	....	....
San Fe Pres.& Phoe.Ry.1st g.5's, 1942	4,940,000	M & S	111	Aug.15,'01	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's, 1919	3,872,000	J & J	113¾	Dec. 11,'01	....	....	....
Sav. Florida & Wn. 1st c. g. 6's...1934	4,056,000	A & O	128	Dec. 31,'01	....	....	....
" 1st g. 5's................1934	2,444,000	A & O	112	Mar. 17,'99	....	....	....
" St. John's div. 1st g. 4's.1934	1,350,000	J & J	95¼	Nov.30,'01	....	....	....
Alabama Midland 1st gtd. g. 5s.1928	2,800,000	M & N	110	May 28,'02	....	....	....
Brunsw. & West. 1st gtd. g. 4's..1938	3,000,000	J & J	87	Aug.22,'01	....	....	....
Sil.S.Oc.&G.R.R.&lg. gtd.g.4's.1918	1,107,000	J & J	95	July 10,'02	95	95	1,000
Seaboard Air Line Ry g. 4's......1950	12,775,000	A & O	86⅛	July 31,'02	86⅛	85⅝	188,000
" registered................		A & O	....		....	....	....
" col. trust refdg g. 5's..1911	8,309,000	M & N	104⅛	July 30,'02	104⅛	103⅛	48,000

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JULY SALES. *High.*	JULY SALES. *Low.*	JULY SALES. *Total.*
Seaboard & Roanoke 1st 5's......1926	2,500,000	J & J	104¾	Feb. 5,'98			
Carolina Central 1st con. g. 4's.1949	2,847,000	J & J	96¼	Mar. 3,'02			
Sodus Bay & Sout'n 1st 5's, gold, 1924	500,000	J & J	100	Dec. 4,'01			
Southern Pacific Co.							
" 2-5 year col. trust g. 4½'s.1905	15,000,000	J & D	100⅛	July 30,'02	100⅛	99½	94,000
" g. 4's Central Pac. coll..1949	28,818,500	J & D	93¾	July 30,'02	94	92½	782,000
" " registered......		J & D	95	Apr. 10,'02			
Austin & Northw'n 1st g. 5's...1941	1,920,000	J & J	111	June 26,'01			
Cent. Pac. 1st refud. gtd. g. 4's..1949	58,041,000	F & A	102⅞	July 30,'02	103⅛	102⅝	131,000
" registered..............		F & A	99⅞	June 1,'19'			
" mtge. gtd. g. 3½'s...1929	19,027,500	J & D	89	July 24,'02	89¼	88¼	60,000
" " registered		J & D					
Gal. Harrisb'gh & S.A. 1st g 6's..1910	4,756,000	F & A	113	June 27,'02			
" 2d g 7's..............1905	1,000,000	J & D	108	Mar. 26,'02			
" Mex. & P. div 1st g 5's.1931	13,418,000	M & N	110¼	Apr. 28,'02			
Gila Val. G. & N'n 1st gtd g 5's.1924	1,514,000	M & N	108	May 14,'02			
Houst. E. & W. Tex. 1st g. 5's..1933	501,000	M & N	106	Feb. 24,'02			
" 1st gtd. g. 5's..........1933	2,199,000	M & N	104½	July 13,'19'			
Houst. & T.C. 1st g 5's int. gtd..1937	5,960,000	J & J	111	July 21,'02	111	110	7,000
" con. g 6's int. gtd......1912	2,911,000	A & O	118½	June 25,'02			
" gen. g 4's int. gtd......1921	4,287,000	A & O	95	July 11,'02	95½	95	13,000
" W & Nwn. div. 1st. g. 6's.1930	1,105,000	M & N	127½	Feb. 27,'02			
Morgan's La & Tex. 1st g 6's....1920	1,494,000	J & J	123½	Feb. 5,'02			
" 1st 7's..................1918	5,000,000	A & O	134½	July 28,'02	134½	134½	23,000
N. Y. Tex. & Mex. gtd. 1st g 4's..1912	1,465,000	A & O					
Nth'n Ry of Cal. 1st gtd. g. 6's.1907	3,964,000	J & J	94	Nov. 30,'97			
" gtd. g. 5's..................	4,751,000	A & O	113	Jan. 4,'01			
Oreg. & Cal. 1st gtd. g 5's........1927	19,357,000	J & J	105½	Nov. 7,'01			
San Ant. & Aran Pass 1st gtd g 4's.1943	18,900,000	J & J	89	July 31,'02	89⅝	88	166,000
South'n Pac. of Ariz. 1st 6's.....1909	6,000,000	J & J	112¾	Apr. 18,'02			
" " " 1910	4,000,000	J & J	114½	June 23,'02			
" of Cal. 1st g 6's ser. A.1905	30,217,500	A & O	105½	June 6,'02			
" " " ser. B.1905		A & O	108	Dec. 23,'01			
" " " C. & D.1906		A & O	110⅝	Jan. 14,'02			
" " " E. & F.1902		A & O	114½	Nov. 3,'99			
" " " 1912	....	A & O	119½	June 13,'01			
" 1st con. gtd. g 5's...1937	6,809,000	M & N	107	Nov. 27,'19'			
" stamped........1905-1937	20,420,000	......	109¾	July 31,'02	109¾	109⅝	48,000
So. Pacific Coast 1st gtd. g. 4's.1937	5,500,000	J & J					
" of N. Mex. c. 1st 6's.1911	4,180,000	J & J	116¼	Apr. 23,'00			
Tex. & New Orleans 1st 7's......1905	915,000	F & A	108	May 20,'02			
" Sabine div. 1st g 6's...1912	2,575,000	M & S	114½	Feb. 14,'02			
" con. g 5's..............1943	1,620,000	J & J	108½	July 29,'01			
Southern Railway 1st con. g 5's.1994	33,706,000	J & J	121¼	July 29,'02	122⅛	120¾	150,000
" registered....................		J & J	122	Jan. 2,'02			
Mob. & Ohio collat. trust g. 4's.1938	7,855,000	M & S	99	July 28,'02	99¼	98⅝	15,000
" registered..................		M & S					
" Memph. div. 1st g. 4-4½-5's.1996	5,083,000	J & J	115	Mar. 18,'02			
" registered..................		J & J					
" St. Louis div. 1st g. 4's...1951	11,250,000	J & J	100⅛	July 25,'02	100⅛	100⅛	25,000
" " registered.........		J & J					
Alabama Central, 1st 6's.......1918	1,000,000	J & J	120	Mar. 25,'01			
Atlantic & Danville 1st g. 4's..1948	3,925,000	J & J	95¾	July 15,'02	95¾	95¾	6,000
Atlantic & Yadkin, 1st gtd g 4s.1949	1,500,000	A & O					
Col. & Greenville, 1st 5-6's.....1916	2,000,000	J & J	121	June 12,'01			
East Tenn., Va. & Ga. div. g. 5's.1930	3,106,000	J & J	119½	June 18,'02			
" con. 1st g 5's..........1956	12,770,000	M & N	121½	July 30,'02	121½	121	30,000
" reorg. lien g 4's.......1938	4,500,000	M & S	117½	June 3,'02			
" registered..................		M & S					
Ga. Pacific Ry. 1st g 5-6's......1922	5,660,000	J & J	128	June 17,'02			
Knoxville & Ohio, 1st g 6's.....1925	2,000,000	J & J	126¼	June 17,'02			
Rich. & Danville, con. g 6's....1915	5,597,000	J & J	121	July 24,'02	121	119	6,000
" equip. sink. f'd g 5's, 1909	818,000	M & S	101¼	July 20,'19'			
" deb. 5's stamped.....1927	3,368,000	A & O	111¼	May 1,'02			
Rich. & Mecklenburg 1st g. 4's.1948	315,000	M & N	90	May 7,'02			
South Caro'a & Ga. 1st g. 5's....1919	5,250,000	M & S	111½	July 3,'02	111½	111	11,000
Vir. Midland serial ser. A 6's..1906	600,000	M & S					
" small.....................		M & S					
" ser. B 6's.............1911	1,900,000	M & S					
" small.....................		M & S					
" ser. C 6's.............1916	1,100,000	M & S	123	Feb. 3,'02			
" small.....................		M & S					
" ser. D 4-5's...........1921	950,000	M & S	102	Oct. 13,'99			
" small.....................		M & S					
" ser. E 5's.............1926	1,775,000	M & S	114	Sept. 10,'01			
" small.....................		M & S					

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• ser. F 5's	1931	1,310,000	M & S	....	....	....	....	....
Virginia Midland gen. 5's	1936	2,392,000	M & N	116	July 18,'02	116	116	1,000
• gen.5's. gtd. stamped	1926	2,466,000	M & N	116⅛	Dec. 30,'01	....	....	....
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	98	Apr. 22,'02	....	....	....
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	120⅛	June20,'02	....	....	....
Spokane Falls & North.1st g.6's	1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl.Ry.N.Y.1stgtd.g.4½'s	1943	500,000	J & D	....	....	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	114⅛	Mar. 11,'02	....	....	....
• 1st con. g. 5's	1894-1944	4,500,000	F & A	116⅞	June17,'02	....	....	....
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	115⅛	May 15,'02	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th	1905	3,055,000	M & S	104	Feb. 15,19'	....	....	....
• 1st gold 5's	2000	21,986,000	J & D	120	July 29,'02	120	119⅛	107,000
• 2d gold income, 5's	2000	963,000	MAR.	99⅛	June23,'02	....	....	....
• La. Div.B.L. 1st g.5's	1931	2,661,000	J & J	111	June18,'01	....	....	....
Toledo & Ohio Cent. 1st g 5's	1935	3,000,000	J & J	112⅛	July 2,'02	112⅛	112⅛	2,000
• 1st M. g 5's West. div.	1935	2,500,000	A & O	112⅛	Nov.13,'01	....	....	....
• gen. g. 5's	1935	2,000,000	J & D	109	May 23,'02	....	....	....
• Kanaw & M. 1st g. g. 4's	1990	2,469,000	A & O	96¼	July 8,'02	96¼	96	6,000
Toledo Peoria & W. 1st g 4's	1917	4,900,000	J & D	92	July 25,'02	92	91¼	16,000
Tol., St.L.&Wn. prior lien g 3½'s	1925	9,000,000	J & J	89	July 29,'02	90⅛	88⅛	7,000
• registered			J & J	....	....	....	....	....
• fifty years g. 4's	1925	6,500,000	A & O	83	July 30,'02	83¾	82¾	62,000
• registered			A & O	....	....	....	....	....
Toronto,Hamilton &Buff 1st g 4s	1946	3,280,000	J & D	98⅛	July 1,'02	98⅛	98⅛	5,000
Ulster & Delaware 1st c. g 5's	1925	1,852,000	J & D	111⅛	July 14,'02	111⅛	111⅛	1,000
Union Pacific R. R. & ld gt g 4s	1947	100,000,000	J & J	104⅛	July 31,'02	104⅞	104¼	572,000
• registered			J & J	104⅞	July 7,'02	104⅞	104⅞	1,000
• 1st lien con. g. 4's	1911	91,952,000	M & N	108⅛	July 31,'02	110⅛	107¼	19,993
• registered			M & N	106	Apr. 14,'02	....	....	....
Oreg. R. R. & Nav.Co.con. g 4's	1946	21,482,000	J & D	103	July 31,'02	103⅛	103	79,000
Oreg. Short Line Ry. 1st g. 6's	1922	13,651,000	F & A	127	June30,'02	....	....	....
• 1st con. g. 5's.1946		12,328,000	J & J	116⅛	July 24,'02	117	116⅛	29,000
Utah & Northern 1st 7's	1908	4,993,000	J & J	117½	June20,'01	....	....	....
• g. 5's	1926	1,877,000	J & J	114⅛	Apr. 19,'02	....	....	....
Wabash R.R. Co., 1st gold 5's	1939	31,664,000	M & N	119¼	July 31,'02	120	119	103,000
• 2d mortgage gold 5's	1939	14,000,000	F & A	113	July 31,'02	113	112⅛	165,000
• deben. mtg series A	1939	3,500,000	J & J	100	July 11,'02	100⅛	100	10,000
• series B	1939	26,500,000	J & J	76⅛	July 31,'02	78	75⅝	3,528,000
• first lien eqpt. fd.g. 5's	1921	3,000,000	M & S	105¾	Apr. 29,'02	....	....	....
• 1st g.5's Det.& Chi.ex	1940	3,411,000	J & J	109½	July 29,'02	109⅛	109	5,000
• Des Moines div.1st g.4s	1939	1,600,000	J & J	97	May 12,'02	....	....	....
• Omaha div. 1st g. 3½s	1941	3,500,000	A & O	88⅛	July 29,'02	89	88⅛	26,000
• Tol. &Chic.div.1stg.4's	1941	3,000,000	M & S	98	Mar. 17,'02	....	....	....
St.L., K.C.& N.St.Chas. B.1st6's	1908	1,000,000	A & O	110	May 26,'02	....	....	....
Western N.Y. & Penn. 1st g. 5's	1937	10,000,000	J & J	119¾	July 31,'02	119¾	119	22,000
• gen g. 3-4's	1943	9,789,000	A & O	101¼	July 23,'02	101¼	100⅛	8,000
• inc. 5's	1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va.Cent'l & Pitts.1st g. 6's	1911	3,250,000	J & J	114⅛	Jan. 20,'02	....	....	....
Wheeling & Lake Erie 1st g. 5's	1926	2,000,000	A & O	113	Apr. 28,'02	....	....	....
• Wheeling div. 1st g. 5's	1928	894,000	J & J	112½	Jan. 21,'02	....	....	....
• exten. and imp. g. 5's	1930	343,000	F & A	113	Dec. 24,19'	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's	1949	11,130,000	M & S	95⅛	July 30,'02	96	94⅛	102,000
Wisconsin Cen. R'y 1st gen. g. 4s	1949	24,635,000	J & J	92⅛	July 31,'02	93	91⅛	270,000
STREET RAILWAY BONDS.								
Brooklyn Rapid Transit g. 5's	1945	6,625,000	A & O	108	July 10,'02	108	107⅛	8,000
• Atl. av.Bkn .imp. g.5's	1934	1,500,000	J & J	110	Jan. 20,'99	....	....	....
• City R. R. 1st c. 5's 1916	1941	4,373,000	J & J	114	May 28,'02	....	....	....
• Qu. Co. & Sur. con. gtd. g. 5's	1941	2,255,000	M & N	102	June17,'02	....	....	....
• Union Elev. 1st. g. 4-5s	1950	16,000,000	F & A	105	July 31,'02	105	103⅛	128,000
• stamped guaranteed			......	101¼	July 24,'02	101¼	101¼	1,000
Kings Co. Elev. R. R. 1st g. 4's	1949	7,000,000	F & A	89¼	July 17,'02	89⅛	89	12,000
• stamped guaranteed			......	....	....	....	....	....
Nassau Electric R. R. gtd. g. 4's	1951	10,474,000	J & J	....	....	....	....	....
City & Sub. R'y, Balt. 1st g. 5's	1922	2,430,000	J & D	105⅜	Apr. 17,'95	....	....	....
Conn.Ry.& Lightg 1st&rfg.g4½'s	1951	8,355,000	J & J	98	Apr. 10,'02	....	....	....
Denver Con. T'way Co. 1st g. 5's	1933	730,000	A & O	97⅛	June13,19'	....	....	....
Denver T'way Co. con. g. 6's	1910	1,219,000	J & J	....	....	....	....	....
Metropol'n Ry Co. 1st g. g. 6's	1911	913,000	J & J	....	....	....	....	....
DetroitCit'ensSt.Ry.1stcon.g.5's	1905	5,485,000	J & J	103	Nov.23,'01	....	....	....
Grand Rapids Ry 1st g. 5's	1916	2,500,000	J & D	....	....	....	....	....
Louisville Railw'y Co. 1st c. g. 5's	1930	4,600,000	J & J	109	Mar. 19,'98	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JULY SALES. *High.*	JULY SALES. *Low.*	JULY SALES. *Total.*
Market St. Cable Railway 1st 6's, 1913	3,000,000	J & J	....	....	....	....	....
Metro. St. Ry N.Y.g. col. tr.g. 5's.1997	12,500,000	F & A	121⅛	July 28,'02	122	120	83,000
B'way & 7th ave. 1st con. g. 5's, 1943	7,650,000	J & D	118	July 31,'02	118	118	20,000
" registered		J & D	119⅛	Dec. 3,19'	....	....	....
Columb. & 9th ave. 1st gtd g 5's, 1993	3,000,000	M & S	122⅛	June 3,'02	....	....	....
" registered..................		M & S	....	....	....	....	....
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	123¼	July 24,'02	123¼	122⅝	8,000
" registered..................		M & S	....	....	....	....	....
Third Ave. R.R. 1st c.gtd.g.4's..2000	35,000,000	J & J	98¼	July 31,'02	99¾	98	1,911,000
" registered..................		J & J	....	....	....	....	....
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	125	July 3,'02	125	124	7,000
Met. West Side Elev. Chic. 1st g. 4's.1938	10,000,000	F & A	102⅞	July 16,'02	102⅞	102⅞	5,000
" registered..................		F & A	....	....	....	....	....
Mil. Elec. R. & Light con. 30 yr. g. 5's.1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's....................1919	4,050,000	J & J	110	June 26,'01	....	....	....
St. Paul City Ry. Cable con. g. 5's.1937	2,480,000	J&J15	114⅛	Nov. 14,'01	....	....	....
" gtd. gold 5's 1937	1,138,000	J & J	112	Nov. 28,'99	....	....	....
Union Elevated (Chic.) 1st g. 5's.1945	4,387,000	A & O	109⅛	Dec. 14,'99	....	....	....
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N	....	....	....	....	....
" 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....

MISCELLANEOUS BONDS.

Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	105	July 31,'02	106	105	23,500
Am. Steamship Co. of W. Va. g. 5's. 1920	5,452,000	M & N	100¾	June 4,'02	....	....	....
B'klyn Ferry Co. of N.Y. 1st c. g. 5's.1948	6,500,000	F & A	82½	July 9,'02	82½	82½	3,000
Chic. Junc. & St'k Y'ds col. g. 5's.1915	10,000,000	J & J	111	Mar. 7,'01	....	....	....
De. Mac. & Mar. ld. gt. 3½'s sem. an. 1911	2,771,000	A & O	64	July 30,'02	68	59	848,000
Hackensack Wtr Reorg. 1st g. 5's.1926	1,090,000	J & J	107⅛	June 3,'92	....	....	....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g. 5's....1919	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's.1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuilding & Dry Dock 5's.............1890–1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's...1951	11,580,000	F & A	98	July 31,'02	98	96¼	79,000
" registered..................		F & A	....	....	....	....	....
St. Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & J	....	....	....	....	....
St. Louis Terml. Cupples Station & Property Co. 1st g 4½'s 5-20..1917	3,000,000	J & D	....	....	....	....	....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	101	Feb. 19,'97	....	....	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	113½	Dec. 18,19'	....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series D 4½'s..............1901–1916	1,000,000	J & J	....	....	....	....	....
" E 4's................1907–1917	1,000,000	J & D	....	....	....	....	....
" F 4's................1908–1918	1,000,000	M & S	....	....	....	....	....
" G 4's................1903–1918	1,000,000	F & A	100	Mar. 15,19'	....	....	....
" H 4's................1903–1918	1,000,000	M & N	....	....	....	....	....
" I 4's................1904–1919	1,000,000	F & A	....	....	....	....	....
" J 4's................1904–1919	1,000,000	M & N	....	....	....	....	....
" K 4's................1905–1920	1,000,000	J & J	....	....	....	....	....
Small bonds....................	....	......	....	....	....	....	....
BONDS OF MANUFACTURING AND INDUSTRIAL CORPORATIONS.							
Am. Bicycle Co. sink. fund deb. 5's.1919	9,234,000	M & S	66	July 31,'02	66	63	92,000
Am. Cotton Oil deb. ext. 4½'s....1915	2,919,000	......	101⅝	July 28,'02	102	100½	23,000
Am. Hide & Lea. Co. 1st s. f. 6's...1919	8,375,000	M & S	99½	July 31,'02	99½	97½	84,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & S	90	July 30,'02	91	90	65,000
Am. Thread Co.. 1st coll. trust 4's.1919	6,000,000	J & J	82	June 25,'02	....	....	....
Barney & Smith Car Co. 1st g. 6's.1942	1,000,000	J & J	105	Jan. 10,19'	....	....	....
Consol. Tobacco Co. 50 year g. 4's.1951	156,466,800	F & A	67¾	July 31,'02	68⅛	67	4,072,000
" registered..................		F & A	65½	Mar. 31,'02	....	....	....
Dis. Co. of Am. coll. trust g 5's..1911	3,580,000	J & J	95	July 31,'02	96	94½	149,000
Gramercy Sugar Co., 1st g. 6's....1923	1,400,000	A & O	99⅞	Apr. 30,'02	....	....	....
Illinois Steel Co. debenture 5's...1910	6,200,000	J & J	99	Jan. 17,'99	....	....	....
" non. conv. deb. 5's......1910	7,000,000	A & O	100	May 2,'02	....	....	....
Internat'l Paper Co. 1st con. g 6's.1918	9,326,000	F & A	109⅞	July 29,'02	109⅞	108⅝	27,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	*Date.*	JULY SALES. *High.*	*Low.*	*Total.*
Knick'r'ker IceCo.(Chic)1st g 5's.1928	2,000,000	A & O	98	Aug.25,19'	....	....	....
Nat. Starch Mfg. Co., 1st g 6's...1920	3,002,000	J & J	106	July 22,'02	106	105¾	13,000
Nat. Starch. Co's fd. deb. g. 5's..1925	4,137,000	J & J	94	Apr. 28,'02	....	....	....
Standard Rope & Twine 1st g. 6's.1946	2,785,000	F & A	69⅞	July 24,'02	70	66	40,000
" " inc. g. 5's.1946	7,500,000	......	14½	July 31,'02	15⅛	14	282,000
U. S. Env. Co. 1st sk. fd. g. 6's...1918	2,000,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g. s. fd deb..1915	5,280,000	M & N	113⅞	July 12,'02	114	112⅛	39,000
U. S. Reduction & Refin. Co. 6's..1931	....	......	86	July 31,'02	87⅛	85	128,000
BONDS OF COAL AND IRON COMPANIES.							
Colo. C'l & I'n Devel.Co. gtd g.5's.1909	700,000	J & J	55	Nov. 2,19'	....	....	....
" Coupons off................	....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's..........1919	680,000	M & N	115	Apr. 11,'02	....	....	....
Col. Fuel & Iron Co. gen. sf g 5's..1943	5,311,000	F & A	106	July 31,'02	106	105¼	45,000
" conv. deb. g. 5's.........1911	9,069,000	F & A	103¾	July 31,'02	106⅛	101⅞	4,021,000
" registered................		F & A	....	....	....	....	....
Grand Riv. Coal & Coke 1st g. 6's.1919	949,000	A & O	115	June 23,'02	....	....	....
Jefferson & Clearfield Coal & Ir.							
" 1st g. 5's.................1926	1,777,000	J & D	105⅛	Oct. 10,'98	....	....	....
" 2d g. 5's..................1926	1,000,000	J & D	80	May 4,'97	....	....	....
Kan. & Hoc. Coal&Coke 1st g.5's 1951	2,750,000	J & J	105	Oct. 24,19'	....	....	....
Pleasant Valley Coal 1st g. s.f.5s.1928	1,192,000	J & J	106¼	Feb. 27,'02	....	....	....
Roch &Pitts.Cl&Ir.Co.pur my5's.1946	1,092,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's..1912	879,000	J & D	....	....	....	....	....
Ten. Coal, I. & R. T. d. 1st g 6's...1917	1,244,000	A & O	110	June 12,'02	....	....	....
" Bir. div. 1st con. 6's...1917	3,399,000	J & J	113	June 28,'02	....	....	....
Cah. Coal M. Co. 1st gtd. g 6's..1922	1,000,000	J & J	105	Feb. 10,19'	....	....	....
De Bard. C & I Co. gtd. g 6's...1910	2,771,000	F & A	103¼	July 14,'02	103¼	102	4,000
Wheel L. E. & P. Cl Co. 1st g 5's.1919	846,000	J & J	32	Jan. 15,19'	....	....	....
GAS & ELECTRIC LIGHT CO. BONDS.							
Atlanta Gas Light Co. 1st g. 5's..1947	1,150,000	J & D	....	....	....	....	....
Bost. Un.Gas tst ctfs s'k f'dg.5's..1939	7,000,000	J & J	80¾	Feb. 20,'01	....	....	....
B'klyn Union GasCo.1stcong. 5's.1945	14,493,000	M & N	118	July 28,'02	118	117⅝	102,000
Columbus Gas Co., 1st g. 5's......1932	1,215,000	J & J	104¼	Jan. 28,'98	....	....	....
Detroit City Gas Co. g. 5's.......1923	5,603,000	J & J	97	July 25,'02	97⅛	95⅝	18,000
Detroit Gas Co. 1st con.g.5's.....1918	381,000	F & A	104	May 24,'02	....	....	....
Equitable Gas Light Co. of N. Y.							
1st con. g. 5's............1932	3,500,000	M & S	118	June 30,'02	....	....	....
Gas. & Elec.of Bergen Co. c.g.5s.1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Grand Rapids G. L. Co. 1stg.5's.1915	1,225,000	F & A	107¾	Dec. 17,19'	....	....	....
Kansas City Mo. Gas Co. 1st g 5's.1922	3,750,000	A & O	....	....	....	....	....
Kings Co. Elec. L.&Power g. 5's..1937	2,500,000	A & O	....	....	....	....	....
" purchase money 6's....1997	5,000,000	J & J	124¼	July 7,'02	124¼	124¼	4,000
Edison El.Ill.Bkln 1st con.g.4's.1939	4,275,000	J & J	99	June 25,'02	....	....	....
Lac. Gas L't Co. of St. L. 1st g. 5's.1919	10,000,000	Q F	109	July 22,'02	109	108⅛	19,000
" small bonds.................			97⅛	Nov. 1,'95	....	....	....
Milwaukee Gas Light Co. 1st 4's..1927	6,000,000	M & N	95	July 31,'02	95¾	95	39,000
Newark Cons. Gas, con. g. 5's....1948	5,274,000	J & D	....	....	....	....	....
N.Y.GasEL.H&PColstcol tr g5's.1948	11,500,000	J & D	113⅛	July 25,'02	114	113⅛	11,000
" registered....................		J & D					
" purchase mny col tr g 4's.1949	20,389,000	F & A	97¾	July 29,'02	98	97¼	163,000
Edison El. Illu. 1st conv. g. 5's.1910	4,312,000	M & S	108	June,26'02	....	....	....
" 1st con. g. 5's...........1995	2,156,000	J & J	120	July 8,'02	120	120	1,000
N.Y.&Qus.Elec.Lg.&P.1st.c.g.5's1930	1,930,000	F & A	108¼	July 22,'02	108⅛	107⅛	4,000
Paterson&Pas. G.&E. con.g.5's..1949	3,317,000	M & S	....	....	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's.1904	2,100,000	M & N	104	June 7,'02	....	....	....
" 2d gtd. g. 6's............1904	2,500,000	J & D	103⅛	June 23,'02	....	....	....
" 1st con. g 6's.............1943	4,900,000	A & O	121	May 12,'02	....	....	....
" refunding g. 5's........1947	2,500,000	M & S	106	Dec. 16,'98	....	....	....
" refuding registered....		M & S	....	....	....	....	....
Chic.Gas Lt&Coke 1st gtd g.5's.1937	10,000,000	J & J	109	July 11,'02	109	108¼	3,000
Con. Gas Co.Chic. 1st gtd.g.5's.1936	4,346,000	J & D	108	July 31,'02	108⅛	108	24,000
Eq.Gas&Fuel,Chic.1stgtd.g.6's.1905	2,000,000	J & J	105	Apr. 28,'02	....	....	....
MutualFuelGasCo.1stgtd.g.5's.1947	5,000,000	M & N	105	July 24,'02	105	105	10,000
" registered....................	....	......	....	....	....	....	....
Trenton Gas & Electric 1st g. 5's.1949	1,500,000	M & S	109	Feb. 8,'01	....	....	....
Utica Elec. L. & P. 1st s. f'd g.5's.1950	500,000	J & J	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	•JULY SALES. *High*	•JULY SALES. *Low.*	•JULY SALES. *Total.*
TELEGRAPH AND TELEPHONE CO. BONDS.							
Am. Teleph. & Teleg. coll. trust. 4's.1929	28,000,000	J & J	100	Mar. 26,'02	....	....	....
Commercial Cable Co. 1st g. 4's.2397.	10,943,000	Q & J	100⅛	Apr. 8,'02	....	....	....
" registered..........................		Q & J	100⅛	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.							
Erie Teleg. & Tel. col. tr. g s fd 5's.1926	3,906,000	J & J	109	Oct. 7,'99	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's.1918	2,000,000	M & N	114⅛	Apr. 28,'02	....	....	....
" registered..........................		M & N					
N. Y. & N. J. Tel. gen. g 5's.......1920	1,261,000	M & N	118¾	Oct. 4,'01	....	....	....
Western Union col. tr. cur. 5's...1938	8,504,000	J & J	111⅛	July 22,'02	111⅛	110⅝	7,000
" fundg & real estate g. 4½'s.1950	18,000,000	M & N	106	July 29,'02	106¼	105⅛	84,000
Mutual Union Tel. s. fd. 6's....1911	1,957,000	M & N	111	June 17,'02	....	....	....
Northwestern Telegraph 7's...1904	1,250,000	J & J	104	May 9,'02	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME *Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1902. *High.*	YEAR 1902. *Low.*	JULY SALES. *High.*	JULY SALES. *Low.*	JULY SALES. *Total.*
United States con. 2's registered...1930	445,940,750	Q J	109⅞	108¼	....	....	......
" con. 2's coupon...........1930		Q J	109⅝	107¾	107¾	107¾	10,000
" con. 2's reg. small bonds..1930		Q J	....	....	....	....	......
" con. 2's coupon small bds.1930		Q J	....	....	....	....	......
" 3's registered...........1908–18	97,516,160	Q F	109⅛	105⅛	105⅛	105⅛	1,000
" 3's coupon.............1908–18		Q F	110	106⅛	107¾	106⅛	28,000
" 3's small bonds reg.....1908–18		Q F	107	107	....	....	......
" 3's small bonds coupon.1908–18		Q F	109⅛	108¼	....	....	......
" 4's registered.............1907	233,177,050	J A J & O	112⅛	108¼	109⅝	100¼	32,000
" 4's coupon...............1907		J A J & O	113	108¾	109¼	108¾	10,000
" 4's registered.............1925	134,994,200	Q F	139⅛	132	132¼	132	30,000
" 4's coupon...............1925		Q F	139¾	139¾	....	....	......
" 5's registered.............1904	19,410,350	Q F	106⅛	105¼	....	....	......
" 5's coupon...............1904		Q F	106¼	106¼	....	....	......
District of Columbia 3-65's...........1924	14,224,100	F & A	....	....	....	....	......
" small bonds.......................		F & A	....	....	....	....	......
" registered........................		F & A	....	....	....	....	......
STATE SECURITIES.							
Alabama Class A 4 and 5..............1906	6,859,000	J & J	107	102⅛	....	....	......
" " small............	....	....	....	....	....	....	......
" Class B 5's....................1906	575,000	J & J	102⅛	102⅛	....	....	......
" Class C 4's....................1906	962,000	J & J	....	....	....	....	......
" currency funding 4's.......1920	954,000	J & J	111	111	....	....	......
District of Columbia. See U. S. Gov.							
Louisiana new ccn. 4's................1914	10,752,800	J & J	106¼	106	....	....	......
" " small bonds..........		....	....	....	....	....	......
Missouri fdg. bonds due.........1894–1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's...............1910	3,397,350	J & J	104⅛	104	....	....	......
" small........................		J & J					
" 6's........................1919	2,720,000	A & O	....	....	....	....	......
South Carolina 4½'s 20–40...........1933	4,392,500	J & J	....	....	....	....	......
Tennessee new settlement 3's........1913	6,681,000	J & J	96⅝	95⅛	95¾	95¾	6,000
" registered.......................	6,079,000	J & J	....	....	....	....	......
" small bond.....................	362,200	J & J	95	94	....	....	......
Virginia fund debt 2-3's of...........1991	18,085,236	J & J	99¾	95¼	96⅛	96⅛	18,000
" registered.....................		J & J					
" 6's deferred cts. Issue of 1871	5,186,105	....	7¼	7¼	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871.....	7,505,426	....	10⅛	8	8	8	5,000
FOREIGN GOVERNMENT SECURITIES.							
Frankfort-on-the-Main, Germany, bond loan 3½'s series 1......1901	15,000,000 (Marks.)	M & S	95⅛	94¾	....	....	......
Four marks are equal to one dollar.							
Quebec 5's..............................1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's..................	....	Q J	100	96	98⅛	98¼	10,000
Regular delivery in denominations of £100 and £200............................	£22,407,660	......	....	....	....	....	......
Small bonds denominations of £20......	....	......	....	....	....	....	......
Large bonds denominations of £500 and £1,000..............................	....	......	....	....	....	....	......

BANKERS' OBITUARY RECORD.

Barnes.—Charles Barnes, President of the National Bank of Commerce, New London, Ct., and an old and well-known citizen of that place, died July 20. At one time he represented New London in the Connecticut General Assembly.

Brown.—Henry Brown, for many years a prominent banker of Williamsport, Pa., died August 1. Mr. Brown was a descendant of the Brown family of Providence, R. I., from which Brown University takes its name. He was born in Washington county, New York, seventy-seven years ago. Early in life he entered the lumber business in Wisconsin. Later he became a banker, which occupation he followed until eighteen years ago, when he retired.

Couch.—Robert I. Couch, for many years Cashier of the National New Haven Bank, New Haven, Ct., died July 7. He entered the employ of the bank as a bookkeeper in 1865, and in 1880 was appointed Cashier.

Dominy.—L. B. Dominy, proprietor of the Fairbury (Ill.) Bank, died July 27, at the age of about sixty years. He had been mayor of Fairbury for several terms and had held other important positions of trust.

Garrison.—William Frazier Garrison, an old resident of Brooklyn, New York, died at his country home in Morristown, New Jersey, July 8. Mr. Garrison had for years been identified with the Manufacturers' National Bank of Brooklyn as Vice-President and director. He was also a director of the Nassau Trust Company and a member of the executive committee. Mr. Garrison was born in 1833, and belonged to an old family of that name.

Hammell.—William Hammell, who had served as a bookkeeper in several banks at St. Louis, Mo., for many years, died July 23. Mr. Hammell was born in Germany in 1838, and came to this country at the age of sixteen. He obtained a position as bookkeeper with the Dollar Savings Bank, St. Louis, and later with the Exchange Bank, and after some years entered the Franklin Bank, where he remained until about a year and a half ago, when he retired on account of ill health, having been promoted to the position of Assistant Cashier prior to his retirement.

Hankey.—Hon. John R. Hankey, President of the First National Bank, Bowling Green, Ohio, died July 18, in the sixtieth year of his age. He served in the Union army during the Civil War, and a few years ago was elected to the Senate of the Ohio Legislature. He was engaged in a number of important business enterprises at the time of his death.

Harrison.—L. B. Harrison, President of the First National Bank, Cincinnati, died July 2, aged eighty-nine years.

Lyman.—John D. Lyman, formerly identified with banking in an official capacity in New Hampshire, died at Exeter, N. H., July 31. He had not only been a bank President and Cashier but also a State Bank Commissioner and a member of both branches of the New Hampshire Legislature.

Paulk.—George M. Paulk, President of the People's Savings Bank, Rockville, Ct., died July 29, aged eighty-two years. He was prominent in social and business affairs, and from 1869 to 1878 was sheriff of Tolland county, Ct.

Schafer.—Simon Schafer, of the firm of Schafer Bros., brokers, New York city, died July 26. He was born in New York city in 1842, and in 1860 formed a partnership in the brokerage business with his brother, which he continued up to the time of his death.

Wells.—Col. Hiram E. Wells, President of the Monroe County State Bank, Bloomington, Ind., died July 25. He was sixty-two years of age, had accumulated a large fortune, and was prominent in local politics.

Wise.—Alfred H. Wise, aged seventy-one years, and since 1848 a resident of Freeport, Ill., and for many years President of the Second National Bank of that place, died August 3. He was a brother-in-law of Gen. John M. Schofield, and was widely known in the West.

THE

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TRUSTS AND COMBINATIONS are now attracting greater public attention than any other subjects. RUSSELL SAGE, a man eminent in financial circles, and perhaps the highest type of monetary success to be attained by independent individual effort, has recently expressed himself very pessimistically as to the consequences of the various branches of trade and manufacture being each controlled by some paramount combination of capital. He says that if this tendency to combination shall continue it will produce either revolution on the part of the American people or a series of unprecedented financial disasters. On the other hand, Mr. CHAUNCEY DEPEW, as eminent in those circles which, as distinguished from financial may be called corporate, treats Mr. SAGE's predictions of evil rather lightly, and asserts that no disaster of the kind prophesied will be witnessed by Mr. SAGE, if his life is spared for a century to come.

When doctors of such eminence disagree, what can be done to discover the truth? If the trusts are to produce revolution or financial wreck, it is well to be warned in time and to take necessary precaution against these possible catastrophes. Not only in the United States but in the world generally the opinions of men who have achieved monetary success are received with great reverence, and because of the belief they inspire are apt to produce the effects foreshadowed in the opinions. These successful men add to and secure their success by expressing opinions intended to impress the public mind and direct it in the course most favorable to the success of their plans. In the line of attainment to power by accumulation of wealth by the exercise of individual energy and talent Mr. SAGE easily outclasses all other individuals. He has attained a personal control of capital which would easily lift him above competition if competition were with individuals alone. When, however, the combinations of capital realized by trust methods and by the formation of gigantic corpo-

rations come into the field, Mr. SAGE is not alone in his glory so much as he was before the formation of these combinations. He is undoubtedly right in that the conditions existing under great combinations of capital tend to repress individual opportunity. If the average American citizen could be conceived to possess the far-sighted sagacity attained through a long life of active experience by Mr. SAGE, it is conceivable that he might resent as Mr. SAGE seems to do the contraction of individual opportunity to attain financial prizes, and if the sense of injustice and energy of character were great enough the American citizen might be driven to revolution.

It is no doubt better for a country when the conditions favor moderate wealth for the largest number of citizens rather than excessive fortunes for a minority and comparative poverty for the remainder. Whether conditions under which the average wealth of the citizen will be improved and exceptional fortunes repressed can be brought about either by methods of business or by law, is doubtful. It is certain that Mr. SAGE'S exceptional fortune, and other large fortunes, have grown up under the competitive system before trusts and combinations in the modern sense appeared on the financial field. These are new developments. Experience has shown that overgrown accumulations of wealth can arise under the competitive system, and so far great fortunes have been realized by the formation of so-called trusts. It is too soon to assert that in the long run, after the combination system has been fully developed and perfected in all its details, it will bring about a greater equality in the distribution of wealth than could be hoped for under the competitive system, but there are many signs that lead to this conclusion. It is highly probable from existing indications that the intense individuality that characterized the average citizen of the United States during the first century of the republic is gradually softening. This is brought about by the influx of immigrants and the employment of men in large numbers by corporations, and the organization of labor unions. In the early days there were very few organizations except very loose political ones in which the pressure of discipline on the individual was slight. In the service of corporations and in the labor organizations men have been very widely educated to estimate the individual in the belief that he is a mere part of the organization, and that his individual rights and ambitions must bow to those of the organization. The nation is fast becoming a nation of employees. From these employees come those who direct and control the great organizations that furnish employment. When the period of transition is past and the era of competition has given way to an era when each branch of trade and industry forms a unit controlled under one capitalization, and the people are distributed under various employments under the new system, as they

were formerly under the competitive system, what reason is there that discontent should grow into revolution? The people of one period do not rise in their might and overthrow an existing system of employment because it is not the same as one that was known to their forefathers. It is probable that a system under which the difficulties of attaining excessive wealth are increased will in the long run prove better for the majority. The truth lies between the dark prophecies of Mr. SAGE and the optimistic views of Mr. DEPEW. In the period of transition from a competitive to a non-competitive system many evils will be experienced, but probably they will be temporary and will be abrogated by fuller trial of the new system.

THE EXAMINATION OF PAID CHECKS is made incumbent upon bank depositors according to a recent decision of the highest court of the State of New York, and the weight of the decisions of the courts of other States and of the United States is to the same effect. It is held, at least, that the depositor must exercise ordinary care in the examination of his returned checks and in their comparison with check stubs, lest he have no redress in case the bank shall charge to his account raised, forged and fraudulent checks.

As a general proposition any additional inconvenience or risk added to the use of checks on banks in making payments tends to reduce the use of such checks, and indirectly to lessen the use of banks by the public as depositaries. The man of business or of leisure, in making payments of money, desires to be relieved as much as possible from the physical and mental effort of drawing checks. His function in the matter is often reduced to the mere signing of the check. Under the decision of the courts referred to the drawer of checks, although his time might be occupied with more important matters, must now exercise a personal supervision over his accounts with the bank entrusted with his money.

To the man not burdened with more than average wealth it does not seem so severe a task, this personal oversight of the moderate number of checks he may employ in disbursements; but in this age of the expansion of wealth when millionaires have ceased to be rare, there has arisen a class who not only wish to enjoy wealth but also to be relieved of its burdens.

From the earliest times the poverty-stricken philosopher has sought to mitigate the disadvantages of impecuniosity by dwelling on the anxiety and tension of mind alleged to accompany the possession of wealth. In modern times, however, these evils so dwelt upon by those who desired to inculcate contentment among the poor have been greatly lessened. While it is still possible for an individual to guard

his own stores, to look after his own investments, and to enjoy all the delight and worry of handling his own treasures, and ministering to their conservation and augmentation, yet he is no longer obliged to do this. He may if he choose entrust the trouble—which with many soon outweighs the delight—to trust companies, banks, real estate men, brokers and numberless other agents who are willing to relieve the pillow of the overburdened rich man from insomnia. The increase in the number of the various agents indicates the great increase of accumulated wealth, and it also shows that although some of its possessors may enjoy the excitement and exertion necessary for its proper care, a large proportion seek to be relieved from what to them is a burden. They desire to enjoy the utmost freedom that wealth can give with the least possible exertion, either mental or physical, in its application to the results they desire to attain. Probably, in a great number of instances, the energy saved in this direction is utilized in other laudable ways, and in a smaller proportion of cases in mere sloth and luxury.

One might imagine that the possessor of what is styled millions, well invested and cared for by approved agents, with an income comparatively without limit continually becoming tangible in the form of bank deposits, capable of being drawn upon at any time, armed with a check book, could carry out his purposes as easily as did Aladdin with his celebrated lamp. The physical and mental labor involved in the use of bank checks does not appear to be great; but it is well known that where the desire is to eliminate all effort the slightest effort of will often seems to overtask the strength. The decision of the New York Court of Appeals making it incumbent on the check drawer to exercise personal supervision, if he does not wish to lose by dishonesty and fraud, will add to the burdens of those whose anxieties have by modern appliances been reduced merely to the care of the check book. The judges, men accustomed to mental application and living on small salaries, probably look upon the arduous efforts of the check drawer with little commiseration. To the judge or the normal business man the extra care entailed by the decision is a mere bagatelle. But to those who seek to free themselves from the sordid cares of life and who otherwise are in a position to do so, this mandate throwing upon these Aladdins a responsibility hitherto carried by the bank, requires looking into. When all the appliances and agencies for relieving the possessor from everything but the enjoyment of his wealth are so complete, this defect should be remedied. Here is an opportunity for a bank to distance its competitors in the handling of the deposits of this wealthy class by promising to relieve their clients of the disagreeable necessity of examining their own checks. It is not necessary to point out how this difficulty might be overcome, and

how frauds by raised and altered checks might be guarded against by the bank. If the bank desired to assume this responsibility as an inducement to its depositors to deal with it, there probably would be little difficulty in devising a method of reducing the risk to a minimum. In these days of competition, when even the minutest advantages are of importance, here seems to be an opportunity for improvement in banking methods not requiring Congressional action for its accomplishment.

THE PLAN FOR PREFERENTIAL TRADE between the British colonies and the mother country by which preferences should be given by Great Britain to the trade of her colonies, has apparently failed. Great Britain trades with the whole world, and although she has colonies more numerous than those of any other country, yet to confine her trade to those colonies would be suicidal. But to give preference to the colonial trade and to discriminate in this way against the trade of the remainder of the commercial world would surely stir up retaliation by other countries.

A colony from the standpoint of trade is as much a business rival as a nation altogether alien. In another point of view a colony is a source of weakness, because of the necessity of defense in case of danger being undertaken by the mother country.

The attempt to establish preferential trade relations seems to have raised the expectations and projects of Canada to a high pitch. The recent immigration into the northwestern provinces and the prospect of large grain production in that region have given renewed vigor to the propositions to encourage transportation across the Dominion by land and water routes, until the routes existing in the United States are rivalled or eclipsed. These projects included a line of fast steamers from Halifax or some other Canadian port to Queenstown. It is not, however, certain that these plans will be abandoned because of the failure to obtain help from the home Government. It is probably far better for a colony to abandon once and forever the habit of looking for help to the government of the mother country. This has been a detriment to Canada in the past and will be in the future. The Dominion contains within itself energies and resources that properly directed and released from the dwarfing habit of relying on the mother country would ere this have accomplished these purposes. A comparatively small party of ultra so-called imperialists have, under the pretext of a supernatural loyalty, cultivated this whining after pap from the mother country much more for the benefit of their own little clique or coterie than for that of the Dominion. The average loyalty of the Dominion to the mother country would probably be very little

diminished by the emigration of this entire crowd, and the development of the native energy of the colony would be stimulated. For nothing represses effort and enterprise like a sneaking hope that one is to be given something for nothing. Undoubtedly Canada has passed the childish stage and is no longer a dependent colony, being as well equipped now for separate national life as many of the independent states of Europe, and with far greater resources and brighter prospects than most of them. The feeling of loyalty to the mother country should never be suffered to diminish, but it should be one natural to and growing out of affiliation of blood, and not fostered by the hope of material assistance. The products of Canada will take their proper place in the trade of the world without the necessity of any help other than that her own laws and treaties can secure. It is to be hoped that reciprocity of trade between the United States and Canada will shortly be secured, and that each will be helped by a larger exchange of products and manufactures.

The coming century will undoubtedly see the subsidence of many of the antagonisms which have in the past led to wars between races and nations. When all governments become equally adapted for maintaining law and order and the rights of property, it will make little practical difference under what government the individual lives. Nor will it make any difference whether the continent is ruled by one general government or divided between half a dozen, so long as national quarrels no longer arise.

IN ALL STAGES OF DEVELOPMENT mankind looks back to a golden age when everything went on just right and all methods and results were all that could be wished. It is so in every business, and bankers are not exempt from the feeling that the times are growing worse and that the prospect for future profits is not so promising as they desire.

The use of checks for remittances is a custom that has grown up within the last half century, or perhaps more properly speaking, since the adoption of a paper currency bearing the same value in every part of the United States.

It must be admitted that every step that has been taken by the legislators of the country to bring about improvements in the currency has been in one way a blow at the profits of the banks. When the currency of the United States consisted of State bank notes, bearing different values in different localities, when it was impossible to tell from day to day what the discount on a particular bank note would be, then the banks and the exchange offices reaped a continuous profit, at the expense of the public, in changing the money of one locality for that of another. The depositor in a local bank could not send his

check to his city creditor because that creditor would not, and in fact could not, accept it in payment of debt. The check would be payable in money current at the location of the drawee bank, and no one could tell what that money locally current might be worth. Every merchant and business man when making a remittance procured from his bank drafts accepted at the place the payment was to be made. Drafts on the money centers were generally current, although they were not of equal value in all places as are bank and legal-tender notes to-day. There was, however, reason enough why individuals could not use their personal checks for making remittances, and they were therefore compelled to pay the banks for exchange.

It must indeed have been a golden age for the banker and the dealer in exchange when no transaction could be carried on without their assistance. Congress, in placing a tax on State bank notes and in supplying a currency good at par in every part of the country, no doubt abolished at one stroke a part of the profits of every bank and threw out of employment thousands of people who had made a living by the exchange of money. When a check is drawn by a depositor on a solvent bank, it is known beyond a peradventure that it will be paid in coin or in paper equivalent to coin. There is no uncertainty as to the par value of the money in which checks drawn on any going bank in the United States will be paid.

The bankers therefore who look back to the days when the irregularities of the currency afforded them profitable ways of serving the public, and find fault with the use of checks at the present time, are losing sight of the advantages they receive from such use of checks by the public. Any one who compares the bank statistics of former periods with those of the present day is at once struck with the great increase in the sums entrusted to the banks in the form of deposits. Formerly a bank did business with its capital, with its credit in the form of note issues and in a less degree with its deposits, which were very seldom fifty per cent. of its capital. Nowadays a bank would go into liquidation that could not secure deposits at least equal to its capital. Most banks considered prosperous have deposits many times the amount of capital.

What the banks have had to resign in the profits on exchange and money changing have been more than made up to them by the increase in available deposits. This increase in deposits is of course primarily due to the growth of the wealth of the country. If, however, the wealth of the country had increased and the old State bank systems with their notes of local circulation had been retained, deposits would not probably have shown as great an increase as they do show in the present bank returns. Deposits have increased beyond all precedent because of the uniformity of the currency, and because of the conve-

nience afforded by the use of checks. This use of checks, while rendered possible by the homogeneity of the currency, National bank and Government notes, has been increased by the formation of clearing-houses in all money centers of every class. If National bank and Government notes had been more elastic, that is capable of being issued to the extent required by incessant demands, these notes would no doubt have been used, and the number of checks employed would have tended to diminish.

The attempt to charge for the collection of checks may be entirely successful in some of the more favored money centers, but there are many indications that even in these money centers influences due to competition and other causes will combine to make the charge merely nominal. The average depositor having once become accustomed to the convenience of remittance by personal check will not readily surrender this privilege. He will deal with the bank that guarantees it to him. On the other hand, the banks secure a larger line of deposits, and with the education of the public in the use of checks they will find that business can be carried on safely on a much less percentage of reserve.

Instead of the period of large exchange profits being the golden age of the banking business, with the increased deposits of the present time bankers can afford to forget all that and do what they can to encourage the convenient and extensive use of the check, because the more checks are used the greater will be the increase in deposits.

THE CONVENTION OF THE AMERICAN BANKERS' ASSOCIATION will be held in New Orleans November 11, 12 and 13. The lateness of the convention is due to the locality selected, as no cool weather can be expected before the date chosen. The annual convention was held in New Orleans in 1891, November 11 and 12, and the hospitality of the bankers of that city was enjoyed exceedingly by those who attended. On that occasion the social event was an excursion to a sugar plantation at some distance from New Orleans. The owners of the plantation entertained the delegates.

The association has expanded greatly in the number of its members and in its usefulness to the banking community since that time. The chief reason of its growth has been the enlarged expenditure of money in protecting bankers from the depredations of criminals. The policy of the association in pursuing, arresting and punishing to the extreme limit that class of criminals who prey on the banks has had a great effect in deterring criminals from attempts on these institutions. A recent rumor of surprising purport has it that one of the forgers convicted by the efforts of the association and now serving a

term in San Quentin prison, San Francisco, will, when released on the expiration of his term of imprisonment, be employed by the association at a high salary in order to keep him from again using his malign talents against the banks. Undoubtedly this is a canard, though if it were practicable to employ such a man to spy on his former associates the association would have the services of one who ought to be able to circumvent the schemes of the professional forgers.

THE STRIKE OF THE ANTHRACITE COAL MINERS still continues, although at this writing there are indications that the mine operators are about to commence to work their mines. The strikers have been living in hope that some outside political or financial force would be brought to bear on the operators and compel them to make some concessions. After a strike has commenced, even if one or both parties to it become convinced of the futility of further contest, pride enters into the settlement. When both sides have appealed to the public and asserted the righteousness of their cause, neither of the two fancies a backdown without some small pretense at least of the honors of war.

The country so far appears to have managed to get along with the reserve stocks of anthracite, and the evil of the strike has been more in apprehension of what might happen if the quarrel is not settled before the coming of cold weather and the maximum demand for the kind of fuel involved. But even if the strike shall continue during the winter and the whole supply of anthracite be cut off, it would not be impossible for the country to take care of itself on bituminous coal and other kinds of fuel. Doubtless the inconvenience and the expense would be great consequent on the changes made necessary in heating apparatus of all kinds. Nevertheless, if it were absolutely necessary, the country could worry through the winter. The result would be that the demand for anthracite in the future would be seriously affected, and it might require some time for the operators and miners of this kind of fuel to secure the former demand for it. Anthracite has come to be looked upon as almost indispensable for some purposes owing to its giving off a minimum of smoke. The range of anthracite compared with bituminous coal is comparatively small, and therefore this kind of fuel offers itself easily for the purposes of the strikers and operators.

It is the general public whose convenience and necessities are supposed to be the argument in favor of the parties to the controversy. The strikers expect that public odium will descend on the operators because they do not settle the matter, and the operators expect the very opposite, that the strikers will have to bear the blame. Both

sides seem to have the hope that the losses of the strike will be made good by the extra amounts to be wrung from the consumer in the increased price of coal.

The probability is, if this waiting game is continued too long, that other fuels and devices for heating will be substituted and that there will be a serious falling off in the demand for anthracite coal. The use of gas as fuel is increasing in the cities, and this is either natural gas or derived from bituminous coal or petroleum products. In the country there is still abundance of wood for fuel. Coal is used in many places because of convenience, where wood is procurable at much less than the present price of coal. In fact, it is poor policy to attempt a corner in any apparent necessary of life. Pressure of this kind on the public is almost sure to bring substitutes to light that may in the end supersede the original product, for the purposes of the consumer.

After this strike is ended, it will perhaps be the wonder of every one what it was begun for. There seems to have been no grievance as to wages, and the complaints as to hours of labor would seem to have been more a pretense than a real grievance. In fact, it appears to have been a contest for control of the methods to be adopted in working the mines. The public can sympathize with those who are unjustly treated, and as a general thing its sympathy is on the side of the laboring man. In this case the issues have been so difficult to perceive clearly that public opinion has been much divided.

The consumers of anthracite are beginning to see that no matter who is to blame, and no matter what the result of the strike, they are to be the chief losers. No one is taking up subscriptions for their benefit. The strikers are supported through a summer vacation by the more or less voluntary contributions of their fellow miners and the business world. The operators see their recompense in the increased price of coal, but the consumer can hope for no compensation for the extra drain on his pocketbook.

IF THE UNITED STATES is producing so much more than it consumes, and if its credit balances are being used to pay foreign debts, then some of the nations to whom these debts are paid ought to be growing richer. But there do not seem to be any signs of unusual prosperity among the countries of Europe to-day. This outflow of wealth from the United States may be so gradually and evenly distributed that the general rise of prosperity in so wealthy a country as Europe is perhaps imperceptible. On the other hand, some of the countries which may be supposed to have shared in the division of American wealth seem to be in some respects quite the reverse of

prosperous. The revenues of the German Empire show a large deficiency, and there is under consideration the raising of an imperial three per cent. loan in New York city. Other countries are having difficulty in making their revenues meet their expenses. Of course these foreigners may be mistaken, but they seem to be under the impression that New York city is the proper El Dorado where money may be borrowed.

But while they are willing enough to avail themselves of the United States as a money market, they are at the same time very touchy over the trade advantages belonging to this country. A prominent German paper advises German manufacturers not to exhibit at the St. Louis Exposition, on the ground that the tariff provisions in force here prevent the sale of German products. This paper also throws out the insinuation that there are signs of a collapse of American prosperity, and then, of course, the people would not buy German goods, even if the tariff laws did not prevent their sale here. All this would seem to indicate that the present tariff laws of the United States operate both to encourage the sale of our manufactures abroad, and to prevent the home market from being exploited by foreign manufacturers. It may be that it is the bonus the tariff offers in the home market that enables our manufacturers to compete abroad.

AN EMERGENCY CIRCULATION based on United States may be issued without waiting for legislation. As THE BANKERS' MAGAZINE has heretofore pointed out, the possibilities of aiding the money market, even under the present rigid requirements of the National Bank Act, have never been used to their full extent. This has been due in part to the small margin of profit on the notes and to the cumbersome system governing their issue. In view of the approaching demand for currency for crop-moving purposes, Secretary SHAW asked some of the larger National banks to be prepared to take out additional circulation. It is understood that a number of the banks have acted on his suggestion and have had the notes printed and made ready for use in case of a heavy demand for currency this fall.

Circulation may be issued by National banks without purchasing bonds. The bonds can be borrowed for the purpose. It is stated that some of the New York banks follow this practice, getting the loan of the bonds at about two per cent. interest. As soon as the demand for currency relaxes the bonds can be released and returned to their owners. The interest paid for the loan of the bonds operates as a restriction on the issues to seasons of exceptional demands for money.

While this seems a roundabout way of doing what might be done without Treasury intermeddling at all, the knowledge that the Na-

tional banks have in reserve the power to issue some three or four hundred million dollars more of circulation than they have outstanding ought to be reassuring, especially as some disposition is manifest on the part of the banks to make a partial use of this privilege.

A FALLING OFF IN VALUE of the securities of several of the heavily-capitalized corporations recently formed may be expected when it is discovered that the buoyant expectations of some of the promoters have not been realized. Corporations formed with a due regard to the earning capacity of the plants involved, determined after proper examination, and whose management, financial and otherwise, is kept up to a high standard, will yield fair returns to investors during periods of normal business activity and will be able successfully to resist the adverse effects of seasons of stress and disaster. But the large number of concerns being organized on an inflated basis promise nothing but disappointment for those who are led to invest in their stocks and bonds in the expectation of receiving satisfactory dividends.

An illustration of what will happen in such cases is afforded by the shrinkage in the value of the securities of a number of American breweries floated on the London market some twelve or thirteen years ago. The London "Statist" of August 16 presents a table showing the nominal value of these securities in 1888–89–90 (the years in which the shares were placed in London) to have been $69,820,000, and the quoted value in 1902 to be $33,051,000—a loss of $36,769,000, or over fifty per cent. in twelve or thirteen years.

Commenting on this loss "The Statist" says: "There can be no doubt that all these businesses were in the first instances grossly over-capitalized, and before they can yield any adequate return upon their share capital they will need drastic reconstruction."

Unfortunately, the laws of several States not only permit but invite the reckless organization and management of corporations.

While bankers are in a position to discriminate against securities of doubtful value, there is danger to be feared from the rapid absorption of stocks and bonds of problematical value by investors who have but recently come into the possession of surplus wealth, and who are unused to the pitfalls of the financial markets. An intelligent reform of the State laws governing corporations is desirable in the interest of sound business dealing. Although no legislation can prevent men from investing in unsafe enterprises, until greed is eliminated from human nature, it can make it less easy to form corporations whose principal object is to relieve the confiding public of their wealth by proceedings that differ from the methods of the highwayman only by their refinement and unobtrusiveness.

REDEMPTION OF A CREDIT CURRENCY.

If an asset currency is ever to take the place of the present bank note based on bonds, the only way to ensure its security and to prevent undue inflation of issues is a provision for continuous and rapid redemptions.

During the last decade the Suffolk banking system formerly in operation in the New England States has been investigated with great interest as affording an example of an asset currency possessing both safety and elasticity. This system is fully described by Mr. Knox in his "HISTORY OF BANKING IN THE UNITED STATES."

It may be asserted without much fear of fair contradiction that the elasticity of the asset currency issued by the New England State banks was due to the practical absence of limit of the amount of the issues, and the almost immediate return of the notes for redemption and reissue. The safety of the system was due to the pressure brought on the banks by the process of redemption.

It is easy to provide for note issues, but to bring about a close and frequent redemption is a complicated and expensive process.

The present National bank notes and the legal tender and other notes issued by the Government are the highest possible exponents of the principle of safety. No holder of these notes feels any apprehension that he will not be able to receive for them full par value in current coin. There can be no fear of the insolvency of the issuer, whether it be the bank or the Government.

When it is proposed to issue an asset currency, the first inquiry made is, Will the notes be as safe as those now issued by the banks or by the Government? If the matter is discussed it is claimed that the proposed bank notes will not be as safe because there is not, as with the present bank notes, a special security of Government bonds set aside for their protection. Nor is it easy to prove satisfactorily that the proposed notes will be as safe as the present National bank and Government notes. But in fact, in one sense, the present notes are an asset currency, just as the proposed notes will be. All the issues of the banks and all the issues of the Government are now based on the assets of the Government. The bonds which form the basis of National bank notes depend entirely on the assets of the Government, its power of raising revenue for their payment. The Government notes depend on the same Government assets. When assets are spoken of as the security for payment of the promissory notes either of the Government or the banks, what is really meant is that the notes are issued on the credit of the Government or banks. The assets are of course behind the credit. These assets so called are a variable and intangible quantity, and their value depends, in the case of the banks especially, very much on the character and experience of the men who manage the banks. However, the point now to be made prominent is that the present Government notes, issued on the credit of the Government, are in principle, as far as security is concerned, precisely the same as the pro-

posed asset bank-note currency. The only difference and also the reason why the proposed bank currency is objected to as unsafe while Government notes are regarded as safe beyond a peradventure, is that the credit of the Government is greater than that of the banks. There may be many banks that for the amount of their issues would be admitted to be as safe as the Government. But taking all the National banks, those existing and those which might be organized, and there would be many whose credit would be defective. Where a system is involved its strength as a whole is like that of a chain—only that of the weakest links. It is the dread of the weak links that causes lack of confidence in an asset currency.

But, on the other hand, it will doubtless be admitted that the mere size of a bank does not necessarily have anything to do with the safety of its notes. A bank with the smallest limit of capital the law permits may be just as sound in all respects as the bank with the largest capital. If a bank is managed carefully within its resources, makes no bad loans, and does not strain its credit, it is safe whatever the amount of money it handles.

There is perhaps more chance to mismanage a small than a large association, and possibly greater temptation to do so. In the matter of banks issuing notes on their credit, without special security, the privilege could be used as safely by a small as by a large institution if the issues were kept within the proper limit by prudent managers. Even under the very rigid restrictions of the National banking laws, notwithstanding the supervision of the Comptroller of the Currency and his bank examiners, National banks fail and their depositors and stockholders lose by these failures, although noteholders are secure. This security of the noteholder is made absolute by the Government making the notes a prior lien on the assets, and no risk is taken in enforcing this priority—it is enforced in advance by the Government taking into its custody the collateral to assure the payment of the notes, just as a pawnbroker does with his customers. As a result the noteholder is always paid 100 per cent., but depositors where the banks become insolvent sometimes get less than this—on the average between seventy-five and eighty per cent.

It is useless to assert that under the Fowler bill, or any similar measure providing for an asset or credit currency, there would be equal security unless there were some means of restricting issue to reserve purposes. The present circulating note based on bonds is not used for reserve purposes in the sense here meant. That is, National banks do not keep their notes on hand ready for issue to meet abnormal demands. If in 1893 the National banks had had on hand one-half of the notes which they were legally entitled to issue, in addition to their ordinary reserves, there would have been no panic.

The safety of the banks under the Suffolk banking system was largely due to the fact that practically, through the active redemption kept up by the Suffolk Bank, they had always on hand ready for issue a considerable proportion of their own notes.

It is exceedingly doubtful, if the banks were granted the privilege of issuing a credit currency, whether a system of rapid redemption could be put in operation over the whole of the United States except at considerable expense. There would have to be some inducement offered to the banks to gather up each other's notes and present them for redemption. Mr. Knox when Comptroller of the Currency estimated that to insure proper redemption of a bank currency covering the entire field would require a discount on such currency

in the money centres of from one-eighth to one-quarter of one per cent. Such a discount would no doubt insure rapid and continued redemption, but as the cost would fall upon the public it would be exceedingly unpopular. The present bank currency, being absolutely secure, and the demand for coin and bullion being supplied by the redemption of Government notes and certificates, does not develop enough motive for its redemption to keep the notes unmutilated and free from infectious disease. With an asset bank currency, the motive for redemption would be furnished, not perhaps by its insecurity, but by its liability to become insecure by over-issue, for which prompt redemption is an antidote. Redemption would be stimulated also by the greater profit a bank would derive in paying out its own notes instead of those of other banks, and by a provision of law requiring all banks to redeem their notes in gold.

Another way of increasing the safety of a credit bank currency is to require each bank to keep on hand as a reserve one-half of its possible issue, to be used only when the regular reserve is reduced below the legal limit. Such a requirement would insure an emergency circulation only to be used on the occurrence of a specific emergency.

In all the plans and propositions for a credit or asset currency the prompt and continuous redemption of the notes has hardly been considered, and yet it is one of the most important points, involving as it does the safety of a note issue based on general credit.

Opposition to Branch Banks.—At the recent convention of the Wisconsin Bankers' Association, T. R. Frentz, Cashier of the German-American Bank, Oshkosh, made a very violent speech against branch banking, in the course of which he said: "Do you want the Standard Oil crowd, the Morgans and the Keenes to come right into your own cities, towns and counties and lick the cream right out of your own saucers, in your own house? Do you know, do you realize, what branch banking means to you, my brother bankers?"

Mr. Frentz seemed to think that Eastern bankers are eager to have the branch banking system introduced throughout the country, in order that they may monopolize the profits of the business, or "lick the cream" as Mr. Frentz calls it. Actually few of the Eastern banks are desirous of going into branch banking, but to those who are eager for this sort of expansion the present law offers no serious obstacle.

Probably branch banking of the Canadian type tends toward greater safety and economy, but these advantages are obtained by sacrificing others. A bank can be made safe by requiring all its loans to be secured by United States bonds or other high-grade collateral. But true commercial banking, in the United States, can not be built upon such a foundation.

The whole question is, Which system of banking best promotes the business development of the entire country. Judged by this test the independent banks of the United States have nothing to fear.

Mr. Frentz's argument may, however, prove too much. "Mr. Morgan and the Standard Oil crowd" have a perfect right to engage in banking wherever they choose, but exactly on the same terms to which every other bank must conform.

THE INTERVENTION OF THE STATE IN THE BANKING WORLD.

The intervention of the state in the direction of banking affairs and in the money market has been a frequent occurrence since banking acquired its modern development; but the business world and the official world differ so widely in their methods and purposes that such intervention has usually been blundering and has often proved mischievous. It is not surprising, in view of such blunders, that many economists have advocated the complete abstinence of government from interference in the money market. The policy of non-interference is supported by the tendency of business operations, when left to themselves, to conform to certain general laws. These laws, though sometimes spoken of as natural laws, differ from physical laws in being only the result of human impulse and initiative. They derive the character of laws from the motive of self-interest which almost universally governs the individual, at least in his commercial relations. While it is sometimes necessary that he should have had an economic education to determine with correctness in what direction his real interests lie, long experience has shown that the instinct of self-interest is more likely to lead him in the right direction than a policy dictated by powers outside the business world, and incapable of knowing all the influences to which it is sensitive.

The difference in the character of the influence exerted under the operation of the law of self-interest upon the money market and that exerted by the direct intervention of the state is due in part to the large number of separate judgments which come to an average in the money market and on the stock exchange. While a single individual may err in regard to his interests, the average judgment of the whole business community is often more accurate in regard to any given contingency in the immediate future affecting values than judgment based upon abstract reasoning from without. Hence intervention by the state in the money market would be harmful, even if directed purely by devotion to the interests of the business community. It is still more harmful when directed, as is apt to be the case, by the hard necessities of an impoverished treasury. Abstention from state interference in the money market is, therefore, the sound theoretical rule; but the large sums of money which enter the coffers of the state under the modern extension of state functions, and the perturbations which would often be caused if governments acted with absolute indifference to the influence of their measures upon the money market, have created relations between the state and the market which cannot be entirely severed or wisely ignored.

The power which any government wields in intervening directly in the money market against the current of business operations is comparatively small, because its operations, in spite of their magnitude, are only a fraction of those growing out of the exchanges of the world. It is for this reason that efforts at intervention have often met with failure, and have discredited the confident reasoning of those who believe that the power of government in

financial matters is greater than that of its citizens or subjects. The power of the government is usually greater than that of any single citizen, but its operations and its power represent but a trifling fraction of the business operations and the financial power of the whole mass of its citizens, who are led by the motive of self-interest and the instinct of the struggle for existence to evade and counteract the effect of any given measure which runs counter to the general tendencies of the markets.

Methods of State Intervention in the Money Market.

There are several methods of intervention by the state in the money market which have been subjected to the test of experience within the last two centuries. The most pernicious and the most useless of these interventions have been those which have sought to create public resources without adequate means or to support public credit when it was in the nature of the case incapable of being supported. The first of these ends has usually been sought by forced loans from the banks. Such demands have compelled the issue of bank notes, which were in excess of the demands of trade because they had no direct connection with such demands. The second end—the attempt to support public credit by artificial means—has usually been sought by intervention on the stock market in the effort to sustain the quotations of securities whose market prices were declining. The more excusable methods of intervention by the state in the money market have been those which have aimed to neutralize the effect of the withdrawal of large sums of money from the market by reason of government demands at special seasons or in the marketing of loans. These demands tend to create an artificial scarcity of money, against which prudent ministers of finance have sought to guard for the purpose of continuing normal conditions instead of running counter to them.

The difference between the degree of success attained by these various forms of intervention is capable of a simple explanation. The attempt to create resources without substantial means, and the attempt to dictate the course of the stock market, have pitted the power of the state against the world supply of transferable capital. The intervention of the Treasury to prevent the undue withdrawal of money from the market for a short term has, on the other hand, affected only the supply of currency. The currency of any country is a much smaller sum than the whole of its transferable capital. The same proposition is true of the currency of the entire business world as against the transferable capital of the entire business world. While countries resting upon the gold standard have the world's supply of gold to draw upon in emergencies, there are circumstances affecting their use of token coins, banking paper, the organization of credit, and the cost and delay of drawing upon the foreign supply of gold, which make the influence of the state upon the currency more definite and easily calculable than intervention in the world of capital. Even in the money market proper, however—limiting it strictly to the supply of currency and disregarding other forms of capital—the intervention of the state is not long potent against the currents set in motion by the play of individual self-interest in all markets.

The instances have been many in which needy governments have sought to divert the resources of the commercial world to their support by borrowing from banks. Bank loans to governments are legitimate within narrow

limits, but those are most nearly legitimate which approximate most nearly to commercial loans. It is stipulated in the charters of the Bank of France,* the Austro-Hungarian Bank, and the Bank of Belgium, that the bank shall lend a certain amount to the public Treasury, sometimes without interest. This is a part of the price which they pay for their special privileges. This loan is intended, however, as a means of facilitating the daily operations of the Treasury by affording a working margin when receipts happen to be low. The Government, in other words, keeps an account of the same character as a merchant who is given a limited open credit at the bank. It is not these loans which are open to grave objections, but those which become fixed or those which are temporary in form, but are excessive in amount.

When a bank of issue lends to the state only its capital, the effect is much less disastrous than when it lends its deposits or extends its credit in the form of uncovered notes. The capital of a well conducted bank is in the nature of a guaranty fund for the aggregate of its obligations. Only its resources beyond the capital are employed in active operations. Hence the locking up in public securities of the capital of a bank is not so great an evil as going beyond this limit. In the cases of the Bank of England, the Bank of France, and the National banks of the United States, amounts equal to the capital are loaned in various forms to the Government, but do not at present menace the solvency of the banks. These loans are good investments and form but a small proportion of the aggregate resources of these banks. But the soundness of the investment is not a guaranty of safety for a bank when its loans to the State become excessive.†

If the public Treasury were willing to accept the position of other borrowers—liability to repay its loans on call or within two or three months after making them—it would not impair the power of the bank to meet unexpected demands upon its resources. But when a government forces its obligations upon the bank as a substitute for commercial assets and demands the issue of bank notes in exchange, two evils are threatened. The first is that the obligations are not usually paid at maturity. The Treasury thus drifts into the same position towards the bank as do other borrowers who are in default. The most serious evil, however, in the loans made by a bank to the public Treasury, when they are made by the issue of its notes, is the fact that such issues take place without regard to commercial needs. The paper is scattered broadcast by the government in payment of public dues and returns rapidly to the bank for redemption. Where such over-issues of bank paper are large, suspension of specie payments is the almost inevitable consequence. So well has this come to be understood by finance ministers that the authority to suspend payments usually accompanies the mandate that the bank shall make the loans which are demanded. In recent times the evil has been aggravated

* In the case of the Bank of France, which has been most free from criticism in its relations with the State, an advance of 60,000,000 francs ($11,580,000) authorized by the law of June 10, 1857, paid three per cent., and an advance of 80,000,000 francs ($15,440,000) authorized by the law of June 13, 1878, paid one per cent. until January 1, 1896. The loan was required to be continued without interest by the law of November 17, 1897, extending the charter.—"*Bulletin de Statistique*," XLII (December, 1897), p. 582.

† "It does not suffice that the government shall be clearly solvent and shall regularly pay interest; it suffices only that the bank has lent to it a part of its deposits or a fraction of the sums obtained by the excess of its notes over its reserve, that it has bent its steps towards specie suspension."—Leroy-Beaulieu, "*Traité d'Économie Politique*," III, p. 682.

by giving the legal-tender quality to these over-issues, with the result of altering the conditions under which every business contract is fulfilled. Experience has shown, however, that bank paper, even when issued under these unfavorable conditions, does not depreciate so rapidly or to the same extent as the direct issues of the government. The skill and conservatism of the bankers and their ability to lean in part upon the commercial resources of the country, enable them to protect business to a limited extent from the extreme fluctuations which occur in the notes of a bankrupt government, having no resources of its own to lean upon except its power to increase the issue of its discredited promises to pay.

Examples of Excessive Government Loans from Banks.

The danger of large loans of bank resources to the state is illustrated by the early history of the Bank of England. The Bank was founded (1694) upon the debt of the Government, and this fact exposed its position to all the vicissitudes of the unsettled politics of the times. Suspension of cash payments became necessary in 1696, and the price of stock fell nineteen and a half per cent. in 1701, under the influence of a hostile resolution in Parliament and the news of war on the Continent.* There was a run also in 1745, when the Scots rose in behalf of the Stuart Pretender. The Bank was able in time to build up a solvent commercial business, which made it a tower of strength to the Treasury when another serious appeal was made to its support; but was compelled, during the long wars with France and Napoleon, to suspend specie payments as the result of the reckless policy of Mr. Pitt, the Prime Minister.

The Bank had been since 1718 handling the public funds and making advances of money in anticipation of the land and malt taxes and upon Exchequer bills and other securities.† The usual limit of these temporary advances was £20,000 to £30,000. The limit was stretched during the war with the American Colonies to £150,000. There was such grave doubt of the legality of this action, in view of one of the provisions of the charter, that money should not be advanced to the Crown except by special permission of Parliament, that application was made to Parliament for an act of indemnity. It was proposed to grant indemnity for past advances and to raise their future limit to £50,000 or £100,000. Mr. Pitt readily agreed to bring in a bill for this purpose, but in passing it he quietly dropped out all limitations upon the advances to the Government.‡

Whenever Mr. Pitt was in need of money to support English armies or to subsidize foreign armies in the war against France, he used his new powers without scruple. The management of the Bank were forced by degrees to expand their note issues in the face of unfavorable foreign exchanges. They had already notified Mr. Pitt as early as October, 1795, that further loans such as he was demanding "would go nigh to ruin the country." They continued these warnings until February 9, 1697, when they informed the Prime Minister that a further advance such as he had asked would threaten ruin to the Bank and most probably bring the directors under the necessity of shutting their doors.§ The inevitable drain of gold began to be felt; in Septem-

* Rogers, "The First Nine Years of the Bank of England," p. 138.
† Gilbart, I, p. 36.
‡ MacLeod, "Theory and Practice of Banking," I, p. 517.
§ Lawson, "The History of Banking," p. 89.

ber, 1795, gold rose to £4 3s. per ounce in Bank notes (a premium of about seven per cent.), and all the evils of specie suspension were threatened. A rumor of the landing of a French frigate in one of the Welsh harbors caused a run upon the Bank for specie, which brought the expected result—suspension of cash payments. The Bank had reduced its issues from £10,550,830 on January 21, 1797, to £8,640,250 on February 25, but its cash had run down to £1,272,000. The cabinet met on Sunday, February 26, 1797, and issued an order in council, to the effect "That the directors of the Bank of England shall forbear issuing any cash in payment until the sense of Parliament can be taken." *

The first suspension of specie payments was only until June 24 of 1797, but it was again and again extended, and power was given the Bank to issue notes for less than £5 ($25). The policy of the directors of the Bank was so conservative that the depreciation of the bank notes did not advance rapidly until the period of commercial speculation which caused the panic of 1810. Even as late as 1809, the gold value of the bank notes was only about 17 per cent. below the mint price of gold. It was on February 1, 1810, that Mr. Horner moved in Parliament for some accounts relating to the currency and exchanges, which resulted in the appointment of a committee and the preparation of the famous Bullion Report. This report plainly demonstrated that it was the over-issues forced upon the Bank by the Government, and the consequent suspension of specie payments, which had turned the exchanges against the country and affected the value of bank paper. Notwithstanding the clear and able manner in which these conclusions were presented, the country was not ready to return to a specie basis. Parliament voted down the recommendations of the Bullion Committee in May, 1811, and even went to the point of adopting the absurd resolution of Mr. Vansittart, "That the promissory notes of the Bank of England have hitherto been, and are at this time held to be, equivalent to the legal coin of the realm."

The Bank made a serious effort to resume specie payments after the final fall of Napoleon. Full resumption took place on May 21, 1821, two years before the date finally fixed by Parliament. The statutes restricting trade in gold coin and bullion were repealed, and Mr. Pitt's practice of borrowing from the Bank without limit was forbidden without the express authority of Parliament.

Among the modern instances of excessive government loans from banks, compelling the suspension of specie payments, have been those of Italy, Spain, and Portugal. The Italian Government was forced to make large expenditures to meet the exaggerated expectations of the Italian people regarding the effects of Italian unity. Until war was threatened with Austria in 1866, these conditions had not prevented large imports of the precious metals and favorable quotations for Italian securities on the exchanges of Western Europe.† But the threat of war, coupled with continuing deficits in Italian finance, were beginning to reverse the current of foreign exchange and de-

* The fact is worth noting that this was a command to the Bank. As Mr. Bagehot says, "Mr. Pitt did not say that the Bank of England need not pay its notes in specie—he 'restricted' them from doing so; he said that they must not."—"Lombard Street," Works, V, p. 74. Hence the act was known as the "Bank Restriction Act."

† It is declared by Professor Willis, that "the new Italian Kingdom had found its credit unexpectedly good abroad, thanks to the kind offices of the French Emperor."—"History of the Latin Monetary Union," p. 62.

press the prices of Italian securities. The latter influence, by bringing the securities pouring upon the Italian market, intensified the strain upon exchange and increased the export of the precious metals. When war actually broke out with Austria, forced legal tender was proclaimed (May 1, 1866) for the issues of the National Bank of Italy.

The advances made by the Bank to the Treasury amounted when specie suspension was authorized to only 141,000,000 lire ($28,000,000). They were rapidly increased, however, until they reached 250,000,000 lire at the close of 1866, 445,000,000 in 1870, 740,000,000 in 1872, 880,000,000 in 1874, and finally 940,000,000 lire in 1875. It is obvious that such a rapid expansion of the paper instrument of exchange went far beyond the requirements of the country, and it is not surprising that the premium on gold rose to 20 per cent. at the outset and fell off but slightly during the ensuing years. It is rather matter for surprise that the maximum gold premium was kept as low as 7.30 per cent. in 1871, 14.95 per cent. in 1872, 17.65 per cent. in 1873 and 16.95 per cent. in 1874. The premium even touched a minimum as low as 1.72 per cent. in 1870 and 3.85 per cent. in 1871, but the minimum was higher in the following years. The average premium in 1871 was kept down to 5.35 and in 1872 to 8.66, but rose in 1873 to 14.21 per cent.*

The fact that the gap between gold and paper was confined within such comparatively reasonable limits is an indication of the greater success of commercial banks in meeting adverse conditions than when the obligation is assumed directly by the government. One of the elements which tended to balance the excessive issues on account of the Government was the fact that the Bank had other notes afloat, whose quantity was not increased after 1877 in any such large ratio as the issues on behalf of the state. An effort to distribute these heavy advances more widely was made by the formation of the *Consorzio*, or syndicate of Italian banks, under the law of April 30, 1874. All the leading banks were combined in this syndicate to issue notes against their advances to the Government, which then amounted to 840,000,000 lire. The Government reserved the right, however, to ask further advances, which raised the total, even within the year 1874, to 880,000,000 lire and the next year to 940,000,000 lire ($181,000,000).

A determined effort was made through the law of April 7, 1881, to restore solvency to the Italian monetary system. The *Consorzio* was dissolved and a loan was issued, of which 600,000,000 lire was employed in retiring the notes issued by the banks making up the syndicate. The remaining 340,000,000 lire of the notes which had been issued on behalf of the Government were withdrawn and replaced by direct Government issues for five lire (95 cents) and ten lire ($1.90). It was proposed that these notes should be retired from year to year from the excess of Treasury receipts, and specie payments were actually resumed on April 12, 1883. Gold reappeared in the country to the amount of 780,000,000 lire, and the masses, habituated to the use of paper, showed little disposition to demand gold for it at the banks.† Unfortunately, the surplus which was expected in future budgets failed to appear, the Government repeatedly appealed to the banks for advances, foreign exchange again turned against Italy, and from 1883 to 1891 the cash reserves of the

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* Arnauné, "*La Monnaie, le Crédit et le Change*," p. 374.
† Leroy-Beaulieu, "*La Science des Finances*," II, p. 717.

Treasury and the banks declined by the sum of 434,000,000 lire. Not only did gold disappear from circulation, but under the terms of the agreement of the Latin Union, by which the coins of each country circulated at par in the others, Italian five-franc pieces flitted across the French and Swiss borders. Some of the departments of France absorbed Italian silver until it made up from thirty to sixty per cent. of their circulation. The smaller silver pieces began to follow the five-franc pieces, and Italy was compelled to seek an arrangement with the other countries of the Latin Union (November 15, 1893) by which she bought back her subsidiary silver for gold and sought to retain it by issuing small Treasury bonds in paper.

The narrative of laws and decrees from 1893 to the present time is too sinuous to be pursued in detail. Repeated reorganizations of the system of bank issues failed to restore solvency to the monetary system or certainty to Italian exchange. The banks had locked up a large part of their assets in mortgages when, at the beginning of 1893, great frauds were discovered in their loans and several of them were forced into liquidation. The issue of state notes was limited by a decree of February 21, 1894, to 600,000,000 lire, but such limitations failed to exert any beneficial influence upon the credit of the country under the torrent of depreciated paper which was so long poured from the banks and the Treasury upon the money market. It was only after 1898, when actual reductions were proposed in the Government issues, that it became possible to withdraw the bonds issued against subsidiary silver and restore the coin to circulation.* Foreign exchange for several years fluctuated between 104 and 107—a rather remarkable exhibition of the vitality of bank paper in the face of adverse conditions.

The primary fault in Italy from the beginning was with the Government, in permitting continuous deficits in the public budget and appealing to the banks to cover these deficits by note issues which had no relation to the needs of trade and surcharged the circulation with a mass of paper beyond its capacity for absorption. As M. Raffalovich truly remarks, the Government vainly multiplied laws in order to make the public believe that the situation of the banks was better than the reality, and as a result prevented the natural improvement which would have been produced without such meddling.†

The Government of Spain drifted into difficulties towards 1890 as the result of heavy military and naval expenditures and recurring deficits in the budget. The Bank of Spain had only about 150,000,000 pesetas ($29,000,000) in gold in its reserves on June 6, 1891, while it held 663,000,000 pesetas ($128,-000,000) in Treasury obligations. The Government, not satisfied with this heavy commitment by the Bank, passed a law authorizing the Bank to lend to the Treasury within three years an additional sum of 150,000,000 pesetas. The Bank was authorized to increase its circulation, which then stood at 743,-000,000 pesetas, to 1,500,000,000 pesetas ($289,500,000). Exchange was already adverse to Spain, but the loss was only about four per cent. until the passage of these short-sighted measures, when it went to seven or eight per cent. By the autumn of 1891 the Bank had lent to the Treasury 759,000,000 pesetas, had guaranteed an issue of 250,000,000 pesetas in four per cents, and had made advances to individuals upon Spanish national securities to the amount of

* Raffalovich, "*Le Marché Financier en 1899-1900*," p. 596.

† "*Le Marché Financier en 1897-98*," p. 462.

269,000,000 pesetas. The commercial discounts of the Bank amounted to only 160,000,000 pesetas. The reckless policy of the Treasury, therefore, had transformed the Bank of Spain into little more than a source of loans to the Government in irredeemable paper.*

When war broke out with the United States over conditions in Cuba, the Spanish Government had already practically exhausted the credit of the country and the Bank of Spain. If a sound financial policy had been pursued up to this time, the state would have been in a much stronger position to negotiate loans or even to issue paper under specie suspension, as was done by the Bank of France in the war with Germany. Appeal was again made by the Treasury to the Bank of Spain, and the circulation, which as recently as 1894 had been 944,575,000 pesetas, was forced upward to 1,459,505,000 pesetas on February 11, 1899, after peace had been made with the United States, but while many war expenses were still unpaid. During the war Paris exchange rose for a time above 100 per cent.—a depreciation of fifty per cent. on the notes of the Bank. The restoration of peace brought down the gold premium to twenty per cent., and the Spanish Treasury struggled manfully to pay the interest on the foreign debt, even when augmented by the refusal of the United States to permit the Cuban debt to continue a charge upon the revenues of that island or to assume the debt of the Philippines.

An effort to restore order to Spanish finances began with the service of Senor Villaverde as Minister of Finance, after the war with the United States. He succeeded by resolute economies and new taxes in changing the persistent deficit of previous years into a surplus for the fiscal years 1900 and 1901.† His successors, encouraged by his example, took measures to consolidate the debt, and finally to reduce the circulation of the Bank of Spain and the heavy indebtedness of the Government to the Bank. A convention signed on July 19, 1902, between the Treasury and the Bank, provided that the cash reserve should be gradually increased, that the Bank should extend credits to commerce and to agricultural syndicates, that special gold accounts should be kept, and that the obligations of the Treasury to the Bank should gradually be put upon a sounder basis.‡ It was keenly recognized in Spain and in France (where many Spanish obligations were held) that the fundamental trouble with the Bank, which compelled the continued suspension of cash payments, was the fact that its issues were enormously inflated at the mandate of the Treasury, and were far in excess of any legitimate commercial need.

The Bank of France During the Franco-Prussian War.

The most successful case of resistance under trying circumstances to government interference with banking has yet to be dealt with. This was the conduct of the Bank of France during the Franco-Prussian War. The management of the Bank in that crisis of French national affairs stands forth as a striking proof of the superiority under such conditions of banking credit over public credit. Overwhelming disasters to the French arms in the field, involving the overthrow of the Government and the occupation of the national capital by a foreign foe, the rule of anarchy at home, and even levies for money upon the Bank backed up by force, combined to invoke a condition of political and financial anarchy. The Bank of France was authorized

* Leroy-Beaulieu, "*Traité de la Science des Finances*," II, p. 789.

† *Économiste Européen*," XXI (June 6, 1902), p. 714.

‡ Ibid., XXII (July 25, 1902), p. 122.

(August 12, 1870), on the morrow of the declaration of war, to suspend specie payments. Such action was not asked by the Bank, but was taken with the unavowed object of preserving the ample metallic resources then in the coffers of the Bank and to prevent the weakening of the gold resources of the country by their gradual withdrawal.* A limit of 1,800,000,000 francs was imposed upon the circulation of the Bank, but this limit was raised within two days to 2,400,000,000 francs, and on December 29, 1871, to 2,800,000,000 francs. The money market for a moment showed signs of uneasiness, but the maximum premium on gold never reached three per cent., and did not seriously affect the value of the Bank paper in domestic exchanges.

The credit universally accorded in France to the notes of the Bank was due to the fact that it was prudently managed by its directors, and was not allowed to become a victim of the misfortunes of the state. President Thiers, in reviewing the great services of the Bank to the country in floating the indemnity loan exacted by Germany, and on the many occasions on which it sustained the money market, declared that "the Bank saved us because it was not a bank of state." The officers of the Bank had been compelled on several occasions to fight against the proposal to convert it into a state institution. Napoleon I, in a moment of indignation when the Bank refused to discount customs bills, threatened to create a new bank from the funds held by the Receivers-General. The threat was not carried out, nor was the similar project of 1848, to unite the Bank to the national domain under the title of "National Bank of France."†

The Bank of France was compelled to suspend collections on its paper during the war with Germany, and to present a firm resistance to many of the demands of the Government. Advances were made to the Imperial Government which, before the close of the war, reached 1,470,000,000 francs ($280,000,000), but excessive demands from the provisional Government and the Commune were stubbornly resisted. Gambetta, in his enthusiasm to save France and his ignorance of financial principles, became so indignant that he telegraphed another member of the Government on December 26, 1870, "We will break down the Bank, if necessary, and issue Government paper." ‡ Even Clement Laurier, with a cooler head and better financial training, sent a dispatch to Gambetta, stating that he had presented a project for a bank of state. The Bank of France was finally forced to make an advance of 415,000,000 francs to the Treasury, but the resistance of the Governors to the first demands undoubtedly saved it from disaster, which would have carried down the whole fabric of French industry and made much more difficult the settlement of the war indemnity to Germany.

One of the important advantages of a private joint-stock bank acting under such conditions is its immunity from seizure by the public enemy. If the Bank of France had been owned by the Government it would have been a legitimate part of the spoil of war, and all its resources would have been seized by the Germans upon their entry into Paris. Under the modern laws of war, the fact that it was private property protected it from seizure. Hence it was able to sustain private credit when public credit was shattered, to pre-

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* Courtois, "*Histoire des Banques en France,*" p. 258.

† Noel, "*Banques d'Émission en Europe,*" I, p. 114.

‡ St. Génis, "*La Banque de France a travers la Siècle,*" p. 68.

vent any serious derangement in the paper medium of exchange, and to aid in that wonderful resuscitation of French industry and finance which followed peace with Germany. The premium on gold, although reaching a maximum for a moment of 2.9 per cent. for bars, was little more than the measure of the cost of foreign exchange. This fact is demonstrated by the fact that the highest premiums were not charged at the period of acute danger, when Gambetta and the Commune were threatening the very life of the Bank, but were charged in the autumn of 1871, when exchange movements attained an unusual magnitude as the result of the large transfers of credit to Berlin in settlement of the war indemnity. Gold was at par during a part of 1874, and the highest premium during the year was one and a half per cent. The Bank resumed payments on its notes in silver, which had not then depreciated greatly, as early as November 7, 1873, and partial gold payments were resumed in 1874. Final resumption did not take place formally until January 1, 1878, but was practically in force after November, 1874.*

The French Government is entitled to the credit, after the terrors of actual warfare had subsided, of meeting its great liabilities by the issue of loans to the public rather than by leaning upon the resources of the Bank. These resources were utilized for temporary advances in handling the loans, but such advances were promptly repaid as the loans were realized.† This policy is a very different one from wrecking a bank as a commercial institution by forcing the permanent issue of a redundant mass of bank notes, which become a forced charge upon the industrial efficiency of the country. In this respect the republican Government of France, under the advice of prudent and skilful financiers, showed greater courage and wisdom than the royal governments of Italy and Spain have shown in later years.

OTHER FORMS OF STATE INTERFERENCE WITH BANKING.

These are only a few instances of the evils resulting from the intervention of the state in banking, but they are fairly representative. Bad as they are, they are marked by one favorable feature. The depreciation in the value of the bank notes, marked by the premium on gold, was much less than in those cases where legal-tender paper has been issued directly by the government. It is beyond the scope of this article to set forth the history in detail of government paper issues. The most famous cases are those of the *assignats* issued by the French Government during the Revolution and the "greenbacks" issued by the Government of the United States during the Civil War. The *assignats*, although they were fully secured at first by the confiscated estates of the nobles, sunk within five years to one-thousandth part of their nominal value and were never redeemed. The "greenbacks" went to a discount of sixty per cent., so that to buy $100 in gold required about $250 in greenbacks. No such depreciation as this has attended the history of bank notes issued by private joint-stock banks except very small institutions, either fraudulent from the beginning or conducted without serious regard to banking principles. No great national bank has ever seen its notes descend to such a point of discredit as the government paper issues of two of the strongest governments in the world—France and the United States.

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* Arnauné, "*La Monnaie, le Crédit et le Change*," p. 363.

† *Vide* the report of Léon Say on the payment of the war indemnity, "*Les Finances de la France sous la Troisième Republique*," I, p. 383.

The reason for the preference accorded to bank notes over government paper issues, even under specie suspension, has lain partly in the fact that the banks did not possess the power of repudiation which has been assumed by governments. The reason for the steadiness of bank credits has lain still more, however, in the fact that the banks possessed assets more readily convertible than those of the government into the metallic legal-tender money which is the touchstone of sound banking.

The taxation of banking privileges has afforded an opportunity for state intervention in banking which has been availed of to a growing extent in recent years. Several of the leading banks of issue, like those of England, Austria-Hungary, Belgium and Russia, have been the products of political conditions. As Professor Nitti declares, "The larger part of them, and without doubt the most important, have been created, and have obtained the monopoly of the privilege of issue, for having rendered services or made loans to the state."* Most of these banks are charged with the payment of interest and other transactions relating to the public debt. This is a legitimate banking function, but the compensation granted by the State is usually much less than would be paid by a private corporation for the same services, and is in some cases gratuitous. The Bank of England makes not less than 500,000 payments and 250,000 transfers on account of the service of the debt, and employs at least one hundred and seventy-five clerks entirely upon this work. It receives for this service £325 for each £1,000,000 up to £500,000,000, but only £100 per £1,000,000 beyond this limit. The Bank of France makes an advance of 140,000,000 francs to the Government, which since the new charter of 1897 has been without interest. Similar advances are made by the other great banks of issue. The Bank of England is subjected to lighter taxes than are the other banks of Europe, and it is this fact, according to Professor Nitti, which has permitted it to progress more rapidly, to discount at a lower rate, and to attain such great stability.

The levy of taxes upon banking operations is of doubtful public utility. Such taxes are in substance burdens upon the whole community, because the bank adds the amount of the taxes to the charges which it makes to the public for its services. The public could better afford to pay such taxes in some more direct way, because by so doing they would enjoy the unfettered use of the tool of exchange by which they carry on their daily transactions. The issue of circulating notes has been selected by nearly every government as a proper subject of taxation. The theory of this taxation is to some extent well founded where the privilege of note issue is a monopoly. Even in such cases, however, the tax is a charge upon the mechanism of exchange, which hampers the free play of economic forces throughout the country. This tax, moreover, is much heavier than is generally believed. In the case of Italy the avowed rate of taxation upon bank notes is 1.44 per cent. When this enormous charge is compared with the low rates for money which have prevailed in recent years in England and France—where the official discount rate has been as low as two per cent.—it is obvious that in Italy the progress of manufactures and exchange must be seriously crippled at home and that Italian exporters must be greatly handicapped in their competition with those of other nations. When it is considered also that this tax does not include

* "*Revue D'Économie Politique*," XIII (March, 1899), p. 278.

many other taxes which fall with crushing weight upon banking operations, it is not surprising that Professor Nitti declares that "It may be said that a certain part of the distresses which have assailed the banks of Italy may be attributed simply and solely to the excessive taxes to which the banks of issue have been subjected by the state." *

The most scientific system of taxation for capital as well as for industry is that which leaves them as nearly unfettered as possible at the various stages of their operations, and takes for the state a certain percentage of their net profits after these operations have been completed. This system has the advantage of giving all industries and methods of exchange opportunity to compete with each other under the law of the greatest economy of effort and ultimate utility, without the disturbing effect of taxes, which may divert industry from its normal course by falling more heavily upon one branch than upon another. Participation in profits has been applied by the leading governments of Continental Europe to the national banks in recent revisions of their charters upon a scale which almost reaches the limits of state socialism. In several cases, after a modest allotment of interest on capital to the shareholders, the state takes half or more than half of the remaining profits for its own use.

In the case of the Bank of France the direct division of profits has not been carried so far as the taxation of the note circulation. The latter, under the law of 1897, pays to the state a proportion equal to one-eighth of the rate of discount on what is considered the productive circulation, but this payment is not permitted to fall below a minimum of 2,000,000 francs. The principle of state appropriation of profits comes into operation when the rate of discount charged by the Bank rises above five per cent. A quarter of this special profit is then added to the reserve fund of the Bank and all of the remainder falls to the public Treasury. This would have meant considerable collections for the Treasury under the conditions of a generation or two ago, but in view of the recent low rates for the rental of capital, and under the policy of steadiness of discount rates long followed by the Bank, this provision will become operative only in grave crises.

Much more comprehensive are the provisions of recent laws in Germany, Austria-Hungary, Belgium and the Netherlands in regard to the division of banking profits with the state. In Germany such a division of profits was already required by the original constitution of the Imperial Bank. A change was made by the statutes of December 18, 1889, by which the dividend first allotted to the shareholders was reduced from four and a half to three and a half per cent. After other reservations, it was provided that after the profits allotted to the shareholders reached six per cent. only a quarter of the remainder should go to the shareholders and the remaining three-quarters should be paid into the Treasury of the Empire. By the law of June 7, 1899, this provision was made even more drastic. The shareholders under this law are still allotted three and a half per cent. in dividends before the state intervenes to take a share of the remainder. An allotment of twenty per cent. of surplus profits above the first dividend is then to be paid into the reserve fund of the Bank, until this fund has attained 60,000,000 marks ($14,280,000). It was proposed in the first draft of the new act that one-half of the remaining dividends should go to the shareholders, until they had received a total

* "*Revue D'Économie Politique*," XIII (March, 1899), p. 294.

dividend of five per cent., and that thereafter the state should take three-quarters.* This provision for the shareholders was stricken from the law as finally enacted, and after the dividend of three and one-half per cent. and the other allotments already set forth, three-quarters of the remaining profits are paid into the public Treasury.†

In the case of the Austro-Hungarian Bank a dividend of five per cent. is distributed to the shareholders, under the law of 1887, after which some small allotments are made to the reserve fund and the remainder goes to the shareholders until their dividends reach a total of seven per cent. Any further profits are divided equally between the shareholders and the public Treasury. In the case of the Bank of Belgium, the extension of the charter by the act of March 26, 1900, carried still further the policy long since adopted of appropriating for the public Treasury a considerable share of the net earnings of the Bank. A quarter of the profits, after a dividend of four per cent., goes to the state, in addition to the tax of one-quarter of one per cent. on the excess of circulation beyond 275,000,000 francs. All profits earned by the Bank by a discount rate exceeding three and one-half per cent. are also to be paid entirely into the public Treasury.‡ The Bank of the Netherlands is required, when its profits exceed five per cent., and ten per cent. of the remainder has been set aside for the reserve fund, to divide the balance equally with the state until dividends of seven per cent. have been reached, when two-thirds of the remainder are covered into the public Treasury. §

The policy of apportioning to the state a large share of the earnings of the Continental banks is based upon the fact that they have been accorded by the state the monopoly of the right of note issue. It is proper, if a price is to be charged for this privilege, that it should fall upon the profits after they have been earned under conditions of free competition rather than that it should be levied upon the processes of exchange as they are going on. If the free action of the banks of Germany, Austria-Hungary, Belgium and the Netherlands results in large profits, of which an allotment is made to the shareholders in dividends large enough to compensate them for the use of their capital, the state does not interfere seriously with the freedom of commercial operations and with the downward tendency of the rate for the rental of money, when it exacts for itself a portion of the accumulated profits. ‖ It might even be asserted that the state, by appropriating to itself all or nearly all of the excess of earnings above a certain rate of discount, for the benefit of the people as represented by the public Treasury, takes away from the banks temptation to charge more than the minimum rate justified by commercial conditions, and thereby intervenes on the market in favor of a low rate for the rental of money and capital. It is hardly probable, however, that the intervention in this forms is practically effective in the important markets where this system of taxation prevails; for in those markets the free competition of the great private and joint-stock banks would in any case keep the discount rate at the minimum fixed by the laws of demand and supply, and would not prevent its rise when a high rate was required for the protection of the metallic reserve of the country.

CHARLES A. CONANT.

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* "*Bulletin de Statistique*," XLV (February, 1899), p. 178.

† Ibid., XLVI (July, 1899), p. 82. ‡ Ibid., XLVII (April, 1900), p. 423.

§ Nitti, "*Revue D'Économie Politique*" XIII, (March, 1899), p. 291.

‖ Professor Seligman points out that a general tax on the net profits of a single industry will be felt by the consumer by its tendency to drive capital from that industry, if its profits are thereby reduced below the average rate of profits in other industries.—"Shifting and Incidence of Taxation," p. 289. But this element is provided for in these European bank taxes by first allotting to the shareholders the minimum rate of profit on money and levying the tax on the remaining profits.

THE FIRST STEP IN THE REGULATION OF TRUSTS.

The President by his clear-cut utterances in regard to trusts and combinations is educating and thus safeguarding the people from the influences of those who seek to make a political issue of an evolution in economical science.

The unknown and new may be terrible or otherwise according to the imagination of the beholders. Many of those attacking trusts and similar movements of capital appeal to the imaginations of the people. They give no information as to the true nature of the phenomena, and the information they claim to impart is of a vague and indefinable nature, causing the flesh to creep and the hair to rise. Even if trusts were the dangerous institutions claimed no harm can come by a full knowledge of what the danger really is. A difficulty or risk once understood is already half overcome.

The inventors and promoters of the trust system are, however, in considerable measure responsible for the darkness covering their operations. Like all inventors and patentees they naturally wished to keep their ideas and secrets to themselves as much as possible, so as to reap as great benefits as possible before the necessary publication of the processes involved should be brought about. As in the case of all new processes, while the general principle might be easily understood, there were methods of carrying out details of what may be styled mechanical application of the principle which to those who invented or understood them gave great advantage. It is also well known that the prospect of great profits excites intense activity of mind in those who though eagerly desiring to participate, are yet on the outside. The origin of many of the attacks on trusts, both public in the name of law and private, have in reality been actuated by greed. There has been no real hostility to the trust method as such, but only indignation aroused by the difficulty of sharing in the profits. The State has interfered for purposes of taxation, and private individuals for the sake of obtaining shares or of speculating in them. The trusts thus attacked have resisted in the same spirit. They have in the most stolid manner endured the probing of greedy curiosity and have apparently often put themselves in a position which in the case of individuals would be contempt of court and defiance of law. The motives either of the investigators or the investigated have not been high ones. The desire has been far less to secure the education and light which the people need on this subject than to find out for purposes of gain, either to the State or to private individuals, just what the money making capacity of the trusts were.

The publicity advocated by the President is for a very different purpose. It is to show the effect on the industries of the country and the general welfare of the people of a system of business which seeks to do away with competition. The public ought to take very little interest as a whole in the individuals or cliques of speculators who happen to be in control or to be quarrelling over some money-making proposition. The real question is of the general or universal effect of a business system on the prosperity of the whole people. It is a waste of time to call attention to exceptional financial suc-

cess on the part of individuals when it is the underlying system that should be examined.

Those who manage trusts have no doubt in a great measure pursued a policy of concealment. They have been excusable on account of the manner in which they have been attacked. Public prosecutors, often excited by demagogical motives, with the desire of popularity have attacked corporations and trusts without preliminary investigation of the ground or knowledge of the law. Most of these suits by public prosecutors have resulted in ridiculous failure. But in consequence it has been given out as an excuse for failure, which was in most cases anticipated, that trusts have a mysterious capacity of resistance impervious to the weapons of the law. Like the mediæval dragon, they are armed at all points. But all this is nonsensical. It is no doubt true that as new conditions arise in any branch of human activity old laws become inadequate, but there never has yet been a time when legislators have failed to adapt the law to new conditions when these conditions were understood. The first step is to understand them.

To discover the real nature and purpose and meaning of such an economical activity as a trust, it would appear to be better to study it in its ordinary normal existence, and not when stirred up to an unusual kind of life by hostile attacks. The publicity which the President refers to is the publicity of the general operations of a trust, similar to that now required by law as to the general operations of a National bank. The legitimate business of a bank is not hampered by the publicity, nor is any secrecy necessary to the inception of business or as to private dealings necessarily revealed. Publicity of this kind is the trail which shows that business, secret enough while doing, after it is finished was done according to law. This trail is so complete in the case of a bank that if it indicates violations of law, it becomes impossible to deny or evade the consequences of them. But it was many years before a code of laws suitable for the guidance of the banking business was formulated. The perfection of this code is the result of continual amendment. In regard to so recent a development of industrial method as trusts and combined corporations, it cannot be expected that suitable laws will be enacted in a moment. Time and trial will be necessary. But, as the President says, the people must learn what these so-called monsters really are, and not suffer themselves to be misled by the scare utterances of the enemies of the trust, or of those who seek to use them as a political issue.

The utterances of the President are far in advance of the usual party platform which, lacking real knowledge, joins in the scare outcry as the easiest and safest political course.

A JAPANESE WOMAN BANKER.—Mrs. Asa Hirooka, of Osaka, the founder and actual guiding spirit of the famous banking firms of Kajuna, is an eminently successful financier and business organizer. This lady not only tided her vast establishment over the difficult restoration days, but was one of the pioneer coal miners in Japan. She also takes a keen interest in educational matters; is at present promoting a university for girls, and, by way of giving practical encouragement, employs many educated girls at her banks, and has lately opened a new department which she has placed exclusively in the hands of ladies.—*Philadelphia Press.*

BANKING LAW DEPARTMENT.

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All the latest decisions affecting bankers rendered by the United States Courts and State Court of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

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TAXATION OF NATIONAL BANKS—POWERS OF TRUST COMPANIES.

United States Supreme Court, June 2, 1902.

JENKINS vs. NEFF.

The powers conferred upon trust companies by Laws of New York, 1893, chapter 693, and Laws of New York, 1892, chapter 689, § 163, do not call for any limitation of the decision in Mercantile National Bank vs. New York (121 U. S. 138); and such institutions are not in any proper sense banking institutions within the intendment of Rev. Stat. U. S. § 5219, as construed by the Supreme Court of the United States.*

This case was brought to review a final order of the Supreme Court of the State of New York, affirming an assessment of the shares of stock in the First National Bank of Brooklyn. Under the practice prevailing in that State a writ of *certiorari* was issued out of the supreme court on August 13, 1897, on the petition of the stockholders of the First National Bank of the city of Brooklyn, now plaintiffs in error, directed to the board of assessors of the city of Brooklyn, requiring them to return all their proceedings relative to the assessment of the shares of stock of said bank. A return having been made the assessment was on October 6, 1899, confirmed, with some modifications not material to the present controversy. This order was affirmed by the appellate division of that court on January 9, 1900. (47 App. Div. 394.) On appeal to the Court of Appeals the order was by that court also affirmed (163 N. Y. 320), and the record remitted to the supreme court.

* In Mercantile Nat. Bank vs. New York (cited in the syllabus) it was decided that although trust companies created under the laws of New York are not banks in the commercial sense of the word, shares in such companies are moneyed capital in the hands of individuals; but as these companies are taxed upon the value of their capital stock, with deductions on account of property in which it is invested either otherwise taxed or not taxable, and are additionally taxed upon their income by way of franchise tax, it does not appear that the rate of taxation thus imposed by the laws of New York is less than that upon shares in National banks. But the system of taxation of banks and trust companies in the State of New York has been changed by laws of 1902, chapter 126, which provides: "In assessing the shares of stock of banks or banking associations organized under the authority of this State or the United States, the assessment and taxation shall not be at a greater rate than is made or assessed upon other moneyed capital in the hands of individual citizens of this State. The value of each share of stock of each bank and banking association shall be ascertained and fixed by adding together the amount of the capital stock, surplus and undivided profits of such bank or banking association, and by dividing the result by the number of outstanding shares of such bank or banking association. The rate of tax upon the shares of stock of banks and banking associations shall be one per centum upon the value thereof, as ascertained and fixed in the manner hereinbefore provided, and the owners of the stock of banks and banking associations shall be entitled to no deduction from the taxable value of their shares because of the personal indebtedness of such owners, or for any other reason whatsoever."

Mr. Justice Brewer delivered the opinion of the court:

The right of the State to tax these shares of stock is not denied, but the contention of plaintiffs in error rests on the applicability of that part of § 5219, Rev. Stat. which reads "that the taxation shall not be at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of such State." The purpose of this legislation was thus stated in Mercantile Nat. Bank vs. New York, 121 U. S. 138, 155, 30 L. ed. 895, 301, 7 Sup. Ct. Rep. 826, 835:

"A tax upon the money of individuals, invested in the form of shares of stock in National banks, would diminish their value as an investment and drive the capital so invested from this employment, if at the same time similar investments and similar employments under the authority of State laws were exempt from an equal burden. The main purpose, therefore, of Congress in fixing limits to State taxation on investments in the shares of National banks, was to render it impossible for the State, in levying such a tax, to create and foster an unequal and unfriendly competition by favoring institutions or individuals carrying on a similar business and operations and investments of a like character. The language of the act of Congress is to be read in the light of this policy."

The laws of New York in reference to taxation of the shares of stock in National banks are like those in respect to the taxation of shares of stock in State banks, and there are many of the latter in the State. So it is not suggested that the State makes any discrimination between State banks and National banks, but it is contended that the statutes of New York, in reference to the taxation of trust companies, are essentially different; that these trust companies are practically carrying on a banking business; that an enormous amount of moneyed capital is invested in them, and that as a result not merely a theoretical, but a practical and burdensome, discrimination is made against the moneyed capital invested in National banks. Commenting upon this it was said by Mr. Justice Woodward, delivering the opinion of the appellate division of the supreme court in the case at bar:

"It is conceded on the part of the relators that the stock of the First National Bank was assessed upon the same principle applied in the assessment of the stock of the State banks doing business in their immediate vicinity, and that this was done under the provisions of § 24 of the tax law of 1896. In order to pronounce this provision of the law invalid we must, therefore, convict the Legislature, not alone of hostility to the National banks, but of hostility toward its own creations; we must reach the conclusion that the State of New York is seeking, by an exercise of its taxing power, to advance one class of moneyed corporations at the expense of another, both of which have been created by the Legislature, and both of which are engaged, presumptively, in promoting the interests of the people. There are no presumptions in favor of this idea, and there is no evidence in the case to show that any of the State institutions have ever complained of an inequality in taxation."

Further, in Mercantile Nat. Bank vs. New York, 121 U. S. 138, 30 L ed. 895, 7 Sup. Ct. Rep. 826, decided in 1887, the New York statutes in reference to the taxation of shares of stock of National banks were challenged on the ground of discrimination in favor of moneyed capital otherwise invested, and several instances of such investment were called to the attention of the court,

among them that of trust companies, and it received, as stated in the opinion, "separate consideration." It was held that the system of taxation prevailing in respect to them was not such as to vitiate the statutory methods of taxation of the shares of stock in National banks. It must be borne in mind that for a score of years prior to that decision there had been a series of cases coming to this court from different States, principally from New York, involving statutes with reference to State taxation of National banks, and that during these years changes had been going on in the legislation of the different States in order to conform to the rules laid down by this court in its successive opinions.

Counsel for plaintiffs in error insist that that case is not controlling, and for several reasons: One, because two amendments have been made in the legislation of New York, which it is said give full banking powers to trust companies, save in respect to the power of issuing circulating notes. The first is found in chap. 696, Laws of 1893, which added an 11th subdivision to § 156 of the banking law (Laws 1892, chap. 689), and which in terms authorizes trust companies: "11. To exercise the powers conferred on individual banks and bankers by § 55 of this act, subject to the restrictions contained in said section."

Section 55, referred to, provides:

"Every bank and individual banker doing business in this State may take, receive, reserve, and charge on every loan or discount made, or upon any note, bill of exchange, or other evidence of debt, interest at the rate of six per cent. per annum; and such interest may be taken in advance, reckoning the days for which the note, bill, or evidence of debt has run."

This legislation simply places trust companies on an equality with banks, whether corporate or individual, in respect to the matter of interest, and does not give to trust companies power to loan, discount, or purchase paper. Whatever powers trust companies had in respect to these matters were given by statutes which were in existence before the decision in Mercantile Nat. Bank vs. New York. That which was in the mind of the Legislature was evidently equality in respect to interest and usury. The doctrine that legislative recognition is equivalent to legislative grant is not pertinent. In order to come within the scope of that doctrine there should be in the language a clear recognition of a corporate entity or corporate power actually existing or claimed to exist. A grant of corporate life or corporate power is not made by implication, and the same rule obtains in respect to the matter of recognition. If the language of the Legislature is satisfied, has full scope and effect, without reading into it either a grant or a recognition of corporate life or power, neither will be implied. And here so clear is it that the Legislature was not contemplating the grant or recognition of any hitherto unauthorized power to loan, discount, or purchase paper, but had simply the thought of giving equality in the matter of interest and usury, that it is inadmissible to hold that thereby an additional power, either of loan or discount or purchase, was given to trust companies.

The other change in the legislation referred to is found in § 163 of chapter 689 of the Laws of 1892, which provides that "every trust company incorporated by a special law shall possess the powers of trust companies incorporated under this chapter, and shall be subject to such provisions of this chapter as are not inconsistent with the special laws relating to such specially

chartered company." But this gives no new powers to trust companies generally, but simply grants to such companies, incorporated under special laws, the powers of trust companies incorporated under the general statute, and subjects them to the same restrictions, unless inconsistent with their special charters. Clearly, there has been no change in the legislation of New York in respect to the powers of trust companies which calls for any limitation of the decision in Mercantile Nat. Bank vs. New York.

Again, it is insisted that that case was submitted on an agreed statement of facts which neglected to disclose fully the manner in which trust companies carried on their business, and also that whatever might have been the facts at that time the testimony here presented shows that almost the entire volume of the business of the trust companies is banking, pure and simple, and but a small fraction of it is the peculiar and ordinary business of trust companies; but that decision rested mainly upon the powers granted by the statutes of New York to trust companies, and it was held that, tested by such powers, they were not in any proper sense of the term banking institutions.

Further, although there is in the record quite an amount of testimony as to the assets and business of trust companies in Brooklyn, yet the case was determined by the supreme and appellate courts of New York upon findings of fact—which findings do not sustain the contention of plaintiffs in error in this respect, and it is well settled that the findings of fact in the State courts are on a writ of error conclusive with us. (Hedrick vs. Atchison, T. & S. F. R. Co. 167 U. S. 673, 677, 42 L. ed. 320, 321, 17 Sup. Ct. Rep. 922, and cases cited therein; E. Bement & Sons vs. National Harrow Co. 184 U. S.—, *ante*, 747, 22 Sup. Ct. Rep. 747.) In other words, we apply the law to the facts settled in the State courts, and we do not search the record to see if there be not disclosed by the testimony some other matters not embraced in the findings which may affect the conclusion.

Still, again, even if we were to pass beyond the findings of fact, and, searching the record, should be of the opinion that the testimony justified the contention of the plaintiffs in error that the trust companies are mainly using their funds in the carrying on of a purely banking business—and this under an assumption of powers not in fact bestowed by the legislation of the State—what effect would such conclusion have upon the question before us? It is to be presumed that if trust or other companies are exercising powers not conferred by law the State will take the proper steps to keep them within their statutory limits, and a neglect for a limited time to do so cannot be considered as an assent by the State to such an improper assumption of power. It is not to be assumed that the State is acting in bad faith; that it has so legislated that upon the face of the statutes a uniform rate of taxation upon all moneyed capital is provided, while at the same time it has designedly placed the grants of some corporate franchises in such form as to permit the use of moneyed capital in certain ways with peculiar and less stringent rates of taxation. Certainly there is nothing in this case to indicate any want of good faith on the part of the State of New York. Whatever may have been the practices of trust companies, however much they may in fact have used their funds in a strictly banking business, there is no suspicion of a purpose on the part of the State to discriminate against National banks by permitting trust companies to do a banking business without being subject to the same rate of taxation that is enforced against moneyed capital invested in such banks.

Counsel for plaintiffs in error notice several reports of the commissioners of taxes and assessments of the city of New York for years following the commencement of this suit in respect to the relative taxation of banks and trust companies, and it was stated on the argument that as a consequence, perhaps, of these reports, legislation has been had with a view of correcting any supposed discrimination.

In reference to some other suggested differences between banks and trust companies in respect to the matter of taxation, we make a further extract from the opinion of Mr. Justice Woodward, which in general we approve:

"It may not, in view of the importance of this question, be out of place to suggest that the statute under which the trust companies are organized does not compel the capital to be invested in United States bonds; it may be invested in 'bonds and mortgages on unencumbered real property in this State worth at least double the amount loaned thereon, or in the stocks or bonds of this State, or of the United States, or of any county or incorporated city of this State duly authorized by law to be issued.' (The Banking Law, Laws of 1892, chap. 689, § 159.) If the capital of the trust companies should be invested in bonds and mortgages. or other securities not exempt from taxation, there would be no inequality in the premises; and as they are not allowed the privilege of issuing notes to be circulated as money upon the security of their United States bonds, which is the real justification for the taxation which is assessed upon the shareholders of the National banks, we fail to find in the record any evidence of such a discrimination against the National banks as would justify us in holding that the law under which the trust companies operate, and the statutes under which they are taxed, can have the effect of invalidating an otherwise valid statute. The fact that in a given instance, by reason of an exercise of a discretion as to the particular kind of securities purchased, a trust company may have a real or imaginary advantage over investors in the shares of a National bank is not a sufficient foundation for declaring an assessment invalid. It is essential, if the law of the State is to be declared invalid under the limitations expressed in the United States statute, that the enactment of the Legislature shall evidence a disposition to evade or override the spirit of the limiting statute; and this is clearly not the case where it provides for equal taxation upon its own State banks, and where it does not require its trust companies, which, it may be conceded, come into a limited competition with the investors in the shares of National banks, to invest their capital in such a way as to necessarily exempt them from taxation upon a portion of their capital stock. If the State refused to allow its trust companies to invest in United States securities there might be a far greater cause for grievance. Trust companies are not organized primarily for banking purposes; they are designed for other purposes, as pointed out in the Mercantile Bank Case, and it was never the purpose of the Federal Government to interfere with the policy of the State in reference to the formation and development of such corporations as it should judge expedient, even though it should be found necessary to invest them with some of the powers of banking associations as an inducement to perform the other duties and obligations imposed by the State. As was said in the Mercantile Bank Case in reference to Savings banks, 'however large therefore may be the amount of moneyed capital in the hands of individuals, in the shape of deposits in Savings banks as now organized, which the policy of the

State exempts from taxation for its own purposes, that exemption cannot affect the rule for the taxation of shares in National banks, provided they are taxed at a rate not greater than other moneyed capital in the hands of individual citizens otherwise subject to taxation.' "

While we have not discussed all the questions raised by counsel in their elaborate brief and argument, we have sufficiently indicated our views upon the general questions involved in the case, and, finding no error, the judgment of the Supreme Court of the State of New York is affirmed.

Mr. Justice Gray did not hear the argument and took no part in the decision of this case.

PROMISSORY NOTES AS EVIDENCE—WAR REVENUE LAW.

Supreme Judicial Court of Maine, March 3, 1902.

WADE, *et al.* vs. FOSS.

The provision of the War Revenue Law, that a promissory note, unless properly stamped, should not be received in evidence, applies only to the Federal courts, and has no application to the State courts.

This was an action upon a promissory note bearing date June 17, 1899. Its admissibility was objected to because it was not stamped as required by chapter 448 of the Statutes of the United States of 1898. The objection was sustained and the note excluded. To this ruling the plaintiffs excepted.

STOUT, *J.:* The act required notes of hand to be stamped, and by section 13 it was provided that if any person issued any instrument without stamp which the act required to be stamped, "with intent to evade the provisions of this act," he was guilty of a misdemeanor, for which a penalty was prescribed, "and such instrument * * * not being stamped according to law shall be deemed invalid and of no effect." It will be noticed that the invalidity results only where the "intention to evade" exists, and does not extend to cases where the omission to stamp arose from accident or mistake. It is provided, however, in the same section, that subsequently, by paying a penalty of $10, the instrument may be stamped, even if the stamp was omitted with intent to evade, and, if there was no such intent, then without paying the penalty, in which case the instrument became "as valid, to all intents and purposes, as if stamped when made or issued." Taking the whole section together, the phrase "such instrument" is confined to that issued "with intent to evade." Even these are not made absolutely void, but voidable. (Wingert vs. Zeigler, 91 Md. 318, 46 Atl. 1074, 51 L. R. A. 316, 80 Am. St. Rep. 453.

In Green vs. Holway, 101 Mass. 243, 3 Am. Rep. 339, a case under the statute of 1866, which contained substantially the same language, this construction was adopted. Under the act of March 3, 1865, which contained similar language, this court held that, to declare the instrument void, there must be an intent to evade the law, and that such intent must be affirmatively shown. (Dudley vs. Wells, 55 Me. 145.) It is not shown in this case.

Section 14 of the act of 1898 provides that no unstamped paper which the law requires to be stamped "shall be recorded or admitted or used as evidence in any court" until properly stamped. Although the language is broad, and might include all courts, yet when it is considered that the powers of the United States are given and limited by the Constitution, and that all

powers not granted by it to the general Government, nor by it withheld from the States, reside in the States, and that each within its sphere is supreme, it follows logically that in the administration of justice in a State, in its own courts and under its laws, not in conflict with the legitimate authority of the general Government, the rules of evidence in such courts are derived from and subject to the law of the State, and not within the authority or control of Congress. (Walker vs. Sauvinet, 92 U. S. 92, 23 L. Ed. 678; Presser vs. Illinois, 116 U. S. 269, 6 Sup. Ct. 580, 29 L. Ed. 615.)

It cannot be conceded that Congress had authority to exclude as evidence in a State court that which by the laws of the State was admissible. Under our law the note was admissible, whether stamped or not. The maker might be liable to the penalty provided in the act of 1898 if he intended to evade the statute, but the contract, as evidenced by the note, was a valid contract in this State, and provable as such.

It cannot be presumed that Congress intended to infringe upon the right of the State in its courts. It must have intended the provision excluding unstamped contracts from admission as evidence to apply only to the courts of the United States, over which it had undoubted jurisdiction. It has been so held in many States. (Carpenter vs. Snelling, 97 Mass. 452; Green vs. Holway, 101 Mass. 243, 3 Am. Rep. 339; Moore vs. Quirk, 105 Mass. 49, 7 Am. Rep. 499: People vs. Gates, 43 N. Y. 44; Clemens vs. Conrad, 19 Mich. 170; Craig vs. Dimock, 47 Ill. 308, 95 Am. Dec. 489; Wingert vs. Zeigler, 91 Md. 318, 46 Atl. 1074, 51 L. R. A. 316, 80 Am. St. Rep. 453; Sammons vs. Holloway, 21 Mich. 162, 4 Am. Rep. 465; Insurance Co. vs. Estes, 106 Tenn. 472, 62 S. W. 149, 82 Am. St. Rep. 892; Bumpass vs. Taggart, 26 Ark. 398, 7 Am. Rep. 623; Davis vs. Richardson, 45 Miss. 499, 7 Am. Rep. 732; Griffin vs. Ranney, 35 Conn. 239; Wallace vs. Cravens, 34 Ind. 534; Small vs. Slocumb, 112 Ga. 279, 37 S. E. 481, 53 L. R. A. 130, 81 Am. St. Rep. 50; Cassidy vs. St. Germain, 22 R. I. 53, 46 Atl. 35; Knox vs. Rossi [Nev.] 57 Pac. 179, 48 L. R. A. 305, 83 Am. St. Rep. 566. See also, License Tax Cases, 5 Wall. 462, 18 L. Ed. 497.)

An opposite doctrine is held in Turnpike Co. vs. McNamara, 72 Pa. 278, 13 Am. Rep. 673; Plessinger vs. Dupuy, 25 Ind. 419, overruled by Wallace, vs. Cravens, *supra;* Edeck vs. Ranuer, 5 Johns. 423.

In Leavitt vs. Leavitt, 4 Greenl. 161, it was held that an unstamped instrument which the law of the United States required to be stamped was inadmissible in evidence, but this case has been practically overruled in this State by Dudley vs. Wells, *supra*, and Sawyer vs. Parker, 57 Me. 39. The overwhelming weight of authority and the more satisfactory reasoning are in accord with the construction we adopt.

In Clemens vs. Conrad, *supra*, it is said by Chief Justice Cooley: "Of the authority in Congress to impose stamp duties, and to compel their payment by such penalties as the wisdom of that body may devise, we make not the least question." "To make an instrument inadmissible in evidence because not sufficiently stamped is, however, quite a different thing from imposing penalties for a breach of the revenue laws. The latter punishes the guilty party or compels him to perform his duty to the Government; the former imposes what may be sometimes equivalent to a forfeiture of rights upon a party, guilty or innocent, who chances to be so circumstanced that he cannot make a showing of his rights in court without the production of the un-

stamped instrument." "A rule of evidence laid down in general terms is to be understood as applicable to those courts only for which the legislature prescribing it has general power to make rules, and not to other courts, not expressly named, over which it has no such general power, and with whose proceedings it could interfere, if at all, only in exceptional cases."

An analogous rule of construction is applied to the first ten amendments to the Constitution of the United States. In them occur such general expressions as "the right of the people to keep and bear arms," "the right of the people to be secure in their persons, houses, papers and effects against unreasonable searches," etc., "No person shall be held to answer for a capital or otherwise infamous crime, unless on a presentment or indictment of a grand jury," and the right of trial by jury in civil causes. Although broad and general in language, they are held by the Supreme Court of the United States to have reference only to powers exercised by the Federal Government, and not to those exercised by the State. (Eilenbecker vs. District Court, 134 U. S. 31, 10 Sup. Ct. 424, 33 L. Ed. 801; Twitchell vs. Pennsylvania, 7 Wall. 321, 19 L. Ed. 223; Spies vs. Illinois, 123 U. S. 131, 8 Sup. Ct. 21, 22, 31 L. Ed. 80.)

It results that the note should have been admitted in evidence. Exceptions sustained.

NATIONAL BANKS—VOLUNTARY LIQUIDATION—ENFORCEMENT OF LIABILITY OF STOCKHOLDERS.

United States Circuit Court of Appeals, Fourth Circuit, May 8, 1902.

WILLIAMSON vs. AMERICAN BANK.

Where a National bank goes into voluntary liquidation, the only authorized procedure for the enforcement of the individual liability of its stockholders is that prescribed by Act June 30, 1876 (19 Stat. 63), by a suit in equity in the nature of a creditors' suit brought on behalf of all creditors in a court for the district in which the bank is located, in which the necessity and extent of the ratable enforcement of the stockholders' liability shall be determined.

Such suit should be brought against the bank and all its stockholders, and, in case ancillary proceedings should be necessary for the collection from non-resident stockholders of their ratable proportion of the amount necessary to pay creditors, such suits should be authorized by the court of original jurisdiction, and brought by a Receiver or other person appointed by such court

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Appeal from the circuit court of the United States for the District of South Carolina, at Greenville.

On December 11, 1897, pursuant to resolutions and orders of its stockholders, the National Bank of Asheville, by and through its proper officers, executed to W. B. Williamson a general deed of assignment assigning all its property in trust to collect the amounts due and owing upon the same, and to apply the proceeds of the property so assigned to the payment of the expenses of the trust and the debts of the bank, in the manner set forth in the said deed of assignment.

On October 20, 1900, the trustee and the Battery Park Bank, citizens of North Carolina, on behalf of themselves and all other creditors of the National Bank of Asheville, filed their bill in the circuit court of the United States for the District of South Carolina against American Bank, a corporation duly organized and doing business under the laws of South Carolina, and W. L. Gassaway, Cashier and trustee for said bank, citizens and inhabitants

of the District of South Carolina, alleging, *inter alia*, that the National Bank of Asheville, when engaged in a general banking business, became indebted to the Battery Park Bank in the sum of $10,000, and that of said indebtedness a balance amounting to upwards of $6,000, and interest thereon, still remains due and unpaid; that the National Bank of Asheville is insolvent and unable to pay its debts, and that Williamson, the trustee appointed by said bank under its resolution to go into voluntary liquidation, is engaged in administering the assets of the bank pursuant to said resolution; that the said bank is largely indebted to other persons and corporations, whose names are unknown to the plaintiffs, and that the assets of the bank are exhausted, or so encumbered that they could not be reached by said creditors, and that the amount of such indebtedness would equal, if not exceed, the capital stock of said bank; that the creditors were entitled to have enforced against the several shareholders of such bank the individual liability provided by the laws of the United States, to the extent of the amount of their stock therein at the par value thereof, and to have the same applied equally and ratably to all debts due and owing by the said bank; that at the time the said National Bank of Asheville became insolvent, and at the time it went into voluntary liquidation, the said American Bank was a stockholder in said National Bank of Asheville, owning 200 shares of the par value of $25 each therein, which shares are standing in the name of said W. L. Gassaway, as trustee for said American Bank; that said American Bank and W. L. Gassaway, as its trustee, are liable to the creditors of said National Bank of Asheville, including said Battery Park Bank, and (as plaintiffs are advised and believe) to said W. B. Williamson as trustee for the National Bank of Asheville, equally and ratably with all other stockholders of said bank, for all contracts, debts and engagements of said association, to the full extent of the amount of their stock therein, to wit, in the sum of $5,000. Demurrers were interposed to this bill on behalf of American Bank and W. L. Gassaway, Cashier, and on May 23, 1901, after argument thereon, the court sustained said demurrers and dismissed the bill on the ground that it appeared from the allegations of the bill that the court was without jurisdiction. From the order sustaining the demurrers and dismissing the bill the plaintiffs prayed an appeal, which was allowed.

Before Goff and Simonton, circuit judges, and Keller, district judge.

KELLER, district judge, after making the foregoing statement, delivered the opinion of the court.

The demurrers from the decree sustaining which the plaintiffs appealed were interposed upon the following grounds: That the circuit court of the district in which the bank was located or established alone had jurisdiction of a bill by a creditor of a National bank in voluntary liquidation to ascertain and enforce the statutory liability of the shareholders of such bank to the creditors thereof; that in such a suit the other shareholders of the bank are necessary parties, and were not made such; and that there was a misjoinder of parties plaintiff, as there was no interest in common between the trustee, Williamson, and the creditor. The bill under consideration appears to have been drawn with the view of conforming in a general way to the provisions of section 2 of the act of June 30, 1876 (19 Stat. 63), which provides that:

"Whenever any National banking association shall have gone into liquidation under the provisions of section 5220, the individual liability of the

shareholder provided by section 5151 may be enforced by any creditor of such association by bill in equity in the nature of a creditors' bill brought by such creditor on behalf of himself and all other creditors of the association, against the shareholders thereof, in any court of equity for the district in which such association may have been located or established."

It departs from the provisions of that act, however, in three important particulars: First, it was not brought within the district pointed out by that act; second, it was not brought against the stockholders generally, but against an individual stockholder and its trustee, in whose name its stock stood; and, third, it joined with the plaintiff creditor, as joint plaintiff, the agent appointed by the stockholders to collect and distribute the assets of the bank under its resolution to go into voluntary liquidation. Prior to the enactment of the act of June 30, 1876, the law relating to National banks and to the enforcement of the statutory liability of their shareholders was contained solely in the revised statutes. Section 5151, Rev. St., provided that:

"The shareholders of every National banking association shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts and engagements of such association to the extent of the amount of their stock therein, at the par value thereof, in addition to the amount invested in such shares."

Had it not been for this provision no personal liability would have rested upon the shareholders of National banks beyond the ordinary contractual liability for the payment of the par value of the shares subscribed for by them; and, this being true, it is essentially necessary that, when such added liability is alleged to exist and be enforceable, it be ascertained and enforced in the mode pointed out by statute. Section 5220 of the revised statutes provides that "any association may go into liquidation and be closed by a vote of its shareholders owning two-thirds of the stock." Section 5234 provides that when any National banking association has failed to redeem any of its circulating notes on presentation, and the Comptroller of the Currency has become satisfied of that fact by the means pointed out in sections 5226, 5227, Rev. St., he may forthwith appoint a Receiver for such association, who, when appointed, is empowered by said section, under the direction of the Comptroller of the Currency, to take possession of and collect all assets of the association, etc., and "may, if necessary to pay the debts of such association, enforce the individual liability of the stockholders."

It will be observed that prior to the passage of the act of June 30, 1876, this was the only method pointed out by law for the enforcement of the liability created by section 5151, Rev. St., and it appears to have been available only after default by the association in the matter of redeeming its outstanding notes. If this view be correct, and such association promptly redeemed its circulating notes when presented, no occasion would have arisen under the law, as it then existed, for the appointment of a Receiver by the Comptroller, and no suitable remedy was provided by statute for the enforcement of this statutory liability on behalf of the general creditors of the association in such a case.

The case of Kennedy vs. Gibson, 8 Wall. 498, 19 L. Ed. 476, cited by counsel for the appellees, holds that under the then state of the law creditors could not proceed against the stockholders in their own names directly, but must seek their remedy in the mode prescribed by the statute, through the inter-

vention of the Comptroller of the Currency; and that action on the part of the Comptroller touching the personal liability of the stockholders must indispensably precede the institution of any suit by the Receiver to enforce the same, and that this fact must be averred in the bill. The reason of this is plain, because the Receiver can only enforce this liability when necessary, and the Comptroller had then to determine whether or not it was necessary.

The case of Kennedy vs. Gibson, it is to be remembered, however, was one in which default had been made by the association in redeeming its circulating notes, and a Receiver had been appointed by the Comptroller of the Currency, and it appears that prior to the passage of the act of June 30, 1876, no adequate statutory remedy existed for the enforcement of this liability on behalf of general creditors where no such default had been made. In fact, it appears that prior to the act of June 30, 1876, the stockholders were not in terms made liable to the creditors of the association, but for its debts. (See the language of section 5151, Rev. St.) However this may be, the Congress, seeing some evident need for the relief of the creditors of an association in process of voluntary liquidation, passed the act of June 30, 1876, the second section of which has been heretofore quoted. It may well be that, prior to the passage of the act of June 30, 1876, the courts of equity of the United States would have had jurisdiction to entertain a general creditors' bill in a proper case to enforce the liability of stockholders provided by section 5151, Rev. St., and for which no statutory remedy had been provided, in cases where the bank went into voluntary liquidation, and was found to be without sufficient assets for the discharge of all its debts. While this point has never been expressly decided, the following language from the opinion of the supreme court, by Mr. Justice Matthews, in the case of Richmond vs. Irons, 121 U. S. 27, 7 Sup. Ct. 788, 30 L. Ed. 864, etc., is significant:

"It thus appears that in the case of an involuntary liquidation under this section [5234, Rev. St.] the business of liquidation, as defined and required by the law, involved the appointment of a Receiver, who should, in addition to the collection of the ordinary assets of the bank, also enforce against the stockholders their individual liability, so far as necessary to create a fund sufficient to pay all the debts of the association. It can hardly be supposed that the omission of the statute to provide an express and specific course of proceeding, by way of judicial remedy, in case of voluntary liquidation, left the creditors of such an association in such circumstances without remedy against a deficiency of assets or the results of a fraudulent maladministration. Section 5151 imposes upon the shareholders of every National banking association an individual responsibility for all its contract, debts, and engagements; and the terms in which the obligation is created are unconditional and unqualified, except that the liability shall be equal and ratable as among the shareholders. As all the shareholders are bound in that way to all creditors, any proceeding to enforce this liability must be such as from its nature would enable the court to ascertain for what the stockholders ought to be made liable, and in what proportion as respects each other."

Again, in the same case, the court, referring to section 2 of the act of June 30, 1876, says:

"This section was in force when the first amended bill was filed in October, 1876. Whether we regard it as merely declaratory of the law as it stood

under the original banking act, or as giving a new remedy which could not have been resorted to before, we think it warranted the court below in permitting the complainant to file his first amended bill."

Whatever may have been the proper course of procedure to enforce the liability of stockholders to creditors of a National banking association in process of voluntary liquidation prior to the passage of the act of June 30, 1876, we are clearly of the opinion that since its passage the remedy provided by that act is exclusive in such cases, and must be strictly pursued, and that suit must, therefore, be brought "in any court of equity for the district in which such association may have been located or established," and not elsewhere. (See Pollard vs. Bailey, 20 Wall. 527, 22 D. Ed. 376; Bank vs. Francklyn, 120 U. S. 747, 7 Sup. Ct. 757, 30 L. Ed. 825.) It is urged by appellants that such a remedy would be ineffectual to give a personal decree against non-resident stockholders, such as the defendants in this case. We will not stop at this time to consider whether or not this is true. It is not necessary in the consideration of this case.

Section 5151, creating this statutory liability, provided that the stockholders "shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of such association," and it therefore becomes essential in such a suit that the entire status of the affairs of the bank be investigated, and a reference had to determine what proportional part of the shareholders' liability will be necessary to be enforced against them, equally and ratably, to provide for the payment of the creditors. For this purpose the books of the bank are essential, the bank is a necessary party, and what provision could the Congress have made more wise than that the suit shall be brought in the district where the bank was located or established, and where the books and accounts are to be found? It may be true that some ancillary proceedings must be had to enforce the liability of non-resident stockholders by way of collection; but, before this can be enforced at all, its amount must be accurately ascertained and determined, and this, we hold, can only be done in the suit brought as provided by the act of June 30, 1876. (Kennedy vs. Gibson, 8 Wall. 498, 19 L. Ed. 476; Casey vs. Galli, 94 U. S. 673, 24 L. Ed. 168.) Suppose, for a moment, suits of this nature were permitted to be brought in the various jurisdictions where non-resident stockholders were found. The question of the necessity and extent of the ratable enforcement of the stockholders' liability, the settlement of the accounts, and the extent of the indebtedness of the bank would have to be determined in each case, and might possibly be determined differently in different suits brought in different jurisdictions, and a multiplicity of suits would be occasioned, involving in each the determination of facts which, in a suit properly brought under section 2 of the act of June 30, 1876, could and would be determined once for all. In our view of this case, no suit can be brought by and on behalf of the creditors for the enforcement of this statutory liability save in the district where the bank was located or established, and, if any ancillary proceedings should become necessary for the collection from non-resident stockholders of their ratable proportion of the amount necessary to pay the creditors, such proceedings would have to be authorized by the court of original jurisdiction, and brought by a Receiver or other official appointed by said court, after settlement of the accounts of the bank, and a determination of the ratable proportion necessary

to be collected; and these facts would have been averred in any suit brought to enforce the same.

We also think that there was no privity of interest between the plaintiffs, and that there was a misjoinder thereof. The plaintiff Williamson was the agent of the stockholders for the collection and disbursement of the assets of the bank, and for no other purpose, and as such agent occupied rather the position of a defendant than a plaintiff in a suit brought under the provisions of the act of June 30, 1876. Indeed, we think in such a suit brought in the home jurisdiction of the bank he would be a necessary party defendant, as his accounts would have to be settled before a finding could be reached as to the *pro rata* share of the statutory liability necessary to be enforced against the stockholders. In any event, he should not be joined as plaintiff with the creditor, as no rights were or could be conferred upon him, by virtue of his appointment, to enforce this liability.

We find no error in the decree of the circuit court for the district of South Carolina sustaining the demurrers and dismissing the bill, and the same is accordingly affirmed.

AGREEMENT TO PAY DRAFT—ESTOPPEL.

Supreme Court of Oklahoma, July 17, 1902.

GUTHRIE NATIONAL BANK vs. DOSBAUGH.

A bank which induces another bank to honor the draft of a third person so that he may pay a debt due his creditor cannot be heard to say that the maker of the draft did not owe his creditor the amount of the draft, even though the authority to honor the draft was limited to the amount due from the maker of the draft to his creditor, when the only person from whom the paying bank could ascertain the amount due were the maker of the draft and his creditor, and they each represented that the amount of the draft was the amount of the debt.

(Syllabus by the Court.)

One J. J. Wilson owned several hundred cattle, which were located in the State of Kansas. Peter O'Connor, assisted by H. H. Hagan, bought these cattle from Wilson, and paid him $1,500 on the purchase price, and was to pay the balance on delivery. When Hagan and O'Connor went to get the cattle, a dispute arose between them and Wilson as to the terms of the contract of sale, and Wilson refused to make delivery, and Hagan and O'Connor claim that he also refused to return the $1,500.

The fact of this controversy was made known to the defendant in error, Dosbaugh's Bank, but finally Hagan and O'Connor agreed to accede to Wilson's demands, and Hagan drew a draft on the Guthrie National Bank, of Guthrie, O. T., for the money with which to pay for the cattle. This draft was as follows: "Dosbaugh's Bank, Cedarvale, Kansas. October 6, 1898. Pay to the order of Dosbaugh's Bank, $10,268.40, ten thousand two hundred and sixty-eight and 40–100 dollars, value received, and charge to account of [Signed] H. H. Hagan. To Guthrie National Bank, Guthrie, O. T." On the face of this draft also appear the following memoranda: "For payment of 400 steers, sold to Peter O'Connor."

Before accepting the draft, and advancing the money on it, Dosbaugh's Bank sent the following message to the Guthrie National Bank: "Cedarvale, Kansas, October 6, 1898. To Guthrie National Bank, O. T. Is H. H. Hagan's check good for ten thousand five hundred dollars? Answer at once. [Signed]

Dosbaugh's Bank." The Guthrie National Bank answered this message in the following language. "Guthrie, O. T., October 6, 1898. Dosbaugh's Bank, Cedarvale, Kansas. Hagan's check for balance due Wilson is good. [Signed] Guthrie National Bank." Upon receipt of this reply, Dosbaugh's Bank gave to Wilson a certificate of deposit for the amount of the draft, and the cattle were then delivered to Hagan and O'Connor. Dosbaugh's Bank forwarded the draft to its correspondent in Kansas City, and it sent it to a bank in Guthrie for collection, but, when the Guthrie bank presented the draft to the Guthrie National Bank for payment, the latter refused to pay it, and the draft then went to protest.

Subsequently, by an arrangement between all of the parties, the Guthrie National Bank paid on the draft the sum of $9,724.40, and Dosbaugh's Bank then commenced this action in the district court of Logan county for the difference between that amount and the face of the draft, with interest. Judgment was rendered for the plaintiff for $617.92, and the defendant appealed.

For the reasons stated in the official syllabus, given above, the judgment was affirmed.

WAIVER OF NOTICE OF PROTEST—WHAT IT INCLUDES.

Court of Appeals of Maryland, June 17, 1902.

PARR vs. CITY TRUST, SAFE DEPOSIT AND SURETY CO. OF PHILADELPHIA.

Where indorsers execute a paper in which they "waive notice of protest" upon certain promissory notes therein mentioned, some of which are then overdue, the waiver will be deemed a waiver of protest.*

This was an action upon several promissory notes. The plaintiff alleged that the defendant had waived protest, and gave in evidence a paper executed by the defendant, with others, in the following form:

"BALTIMORE, June 14, 1897.

For and in consideration of the sum of one dollar to each of us in hand paid, and for other valuable considerations, we, the undersigned, hereby waive notice of protest upon the following notes of the Columbian Iron Works and Dry Dock Company of Baltimore, at present held by the City Trust, Safe Deposit and Surety Company of Philadelphia, all dated April 30, 1895."

[Here followed a list of the notes.]

FOWLER, *J.* (omitting part of the opinion): It remains to discuss the second point involved, namely, the contention of the defendant that the agreement of waiver of notice of protest is not equivalent in this case to a waiver of protest, which latter, it is admitted, would dispense with all the formal acts, such as demand and presentment, necessary to charge an indorser. * * *

The exact question presented by this branch of the case, then, is whether the above agreement amounts to a waiver of protest, and therefore a waiver of demand and presentment. For if it does not, the plaintiff must fail, for it is conceded no evidence of protest was offered by it. But if, on the contrary, it can be ascertained from the agreement that it was the intention of the indorsers to dispense with demand and presentment and protest, then the

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*The Negotiable Instruments Law provides that "A waiver of protest, whether in the case of a foreign bill of exchange or other negotiable instrument, is deemed to be a waiver not only of a formal protest, but also of presentment and notice of dishonor." (N. Y. Act, Sec. 182; Maryland Act, Sec. 180.)

prayer asking the court to take the case from the jury was properly rejected: for as we understood the argument of appellant's counsel at bar, his contention rested solely upon the absence of proof of protest. How, then, does the case stand? It will be observed, that the agreement is dated June 14, 1897, and that the first note mentioned therein was payable twenty-four months after date; that is to say, twenty-four months after April 30, 1895. The note, therefore, matured and was due and payable on April 30, 1897, or forty-five days before the agreement to waive notice of protest was executed. It appearing, therefore, that, when the agreement was entered into, the first of the series of notes mentioned therein was overdue and unpaid, it follows that it was impossible then to have it legally protested, or then to have made a demand or presentment which would have charged the indorsers. This being so, it is not reasonable to construe the waiver so as to impute to the indorsers an intention to waive only notice of protest, and require the plaintiff to go through the meaningless and foolish form of protesting an overdue note.

We think, therefore, that as to the overdue note there was no intention on the part of the indorsers to insist upon an actual protest, and that as to it there can be no doubt that their waiver of notice of protest is equivalent to waiver of the performance of the acts the law requires to be performed by the holder of negotiable paper in order to fix liability upon indorsers. If we are correct in the construction we have given the waiver in regard to the overdue note, we can see no reason why it should not have the same construction as to all the notes in question. For the words "waiver of notice of protest" are used to all the notes sued on, and it cannot be said that, so far as they refer to the overdue note, they are equivalent to "waiver of protest," but as to the remaining notes they have another and very different meaning.

Basing our conclusion, as we do, upon the facts of this particular case, and especially upon the fact that the first note of the series mentioned in the agreement of waiver was long overdue when the agreement was executed, it is unnecessary to consider the general question which was so ably and elaborately argued at bar, whether, as a general proposition, an agreement to waive notice of protest is equivalent to a waiver of protest.

Judgment affirmed.

ATTACHMENT OF PROPERTY BELONGING TO A NATIONAL BANK.

Supreme Court of North Carolina, June 10, 1902.

WILLARD M'F'G. CO. vs. MERCHANTS' NATIONAL BANK OF VICKSBURG, MISS.

Property belonging to a National bank cannot be attached.

The plaintiff commenced an action against George H. Tierney & Co., in which plaintiff alleges that said Tierney & Co. is liable to plaintiff in the sum of $285.92 on account of a breach of contract. Upon this allegation, said Tierney & Co. being non-residents of this State, but owning a lot of cotton in this State (as plaintiff alleged), plaintiff sued out an attachment and caused it to be levied on said fifty bales of cotton. In that action the defendant bank intervened and claimed the cotton. The plaintiff then commenced this action against the defendant bank, and attached the same cotton as the property of the defendant bank. In this way both cases stood upon the docket of Durham Superior Court at the same time, and the defendant bank moved to dismiss the action against it and to discharge the attachment as against it,

while, on the other hand, the plaintiff moved to consolidate this action with the action of plaintiff against Tierney & Co. The court refused the motion of defendant to dismiss the action and discharge the attachment against it, but allowed the motion of plaintiff and consolidated the two actions, and defendant appealed.

FURCHES, *C. J.:* We do not see at present how it is the plaintiff has a cause of action against the defendant bank for a breach of contract with the defendant Tierney & Co., as alleged by it. But this would be more properly a question to be considered on a trial of the case, and not on a motion to dismiss. But the motion to dismiss the action and discharge the attachment is not made upon that ground, but for the reason that it is commenced by attachment and a levy upon fifty bales of cotton alleged to be the property of the defendant bank. It is alleged by the plaintiff and admitted that the defendant is a National bank, and in our opinion the defendant's motion should have been allowed. Act Cong. 1873, incorporated into section 5242, Rev. St. U. S., provides that no attachment shall be brought against a National bank in any State court, and this has been held to be the law, not only as to State courts, but also as to United States courts. (Bank vs. Mixter, 124 U. S. 721, 8 Sup. Ct. 718.) And the same is held to be the law in the State of Vermont. (Safford vs. Bank, 61 Vt. 373.)

Therefore the defendant's motion to dismiss and to discharge the attachment should have been allowed. Error.

ATTACHMENT OF PROPERTY—INTERVENTION OF NATIONAL BANK.

Supreme Court of North Carolina, June 10, 1902.

WILLARD M'FG. CO. vs. GEORGE H. TIERNEY & CO.

The rule that an attachment will not lie against the property of a National bank does not apply where the bank intervenes in an attachment suit and claims the property.

The plaintiff alleged that the defendant, George H. Tierney & Co., was liable to it in the sum of $285.92 upon a breach of contract in the purchase of cotton. The defendants being non-residents of the State of North Carolina, plaintiff commenced an action in the superior court of Durham county, sued out an attachment, and caused it to be levied on fifty bales of cotton alleged by plaintiff to belong to defendants. The National bank intervened in this action and claimed that the cotton so attached belonged to it. The plaintiff then commenced another action against such National bank, sued out another attachment, and caused it to be levied on the same fifty bales of cotton, upon the allegation that the cotton belonged to the bank. Thus it was that both actions stood upon the docket of the superior court of Durham at the same time. When the bank moved to dismiss the action against it and to discharge the attachment, the plaintiff resisted this motion of the bank, and moved to consolidate this action with the action against the bank. The bank's motion was overruled, and the plaintiff's motion was allowed, and an order made consolidating the two actions. Defendants excepted and appealed.

FURCHES, *C. J.:* We have seen in the case of Willard Mfg. Co. vs. Merchants' Nat. Bank of Vicksburg, Miss. (at this term), 41 S. E. 870, that the plaintiff could not proceed against the bank by attachment, and as it could not do that, and as that action and attachment should have been dismissed (Willard Mfg. Co. vs. Merchants' Nat. Bank of Vicksburg, Miss., at this term),

it was error to consolidate that action with this. But when that action is dismissed it will leave this action as it originally stood, as a suit against Geo. H. Tierney & Co. And while the plaintiff could not attach this cotton as the property of a National bank, we see no reason why it may not intervene, and claim that the cotton attached as the property of George H. Tierney & Co. belongs to it. (Cotton Mills vs. Weil, 129 N. C. 452.) But its intervening does not make it a party to the action between the plaintiff and George H. Tierney & Co. further than to claim that the cotton attached belongs to it. This is the only issue involved so far as the intervener is concerned, and the affirmative of this issue is upon it. If it is not the owner of the cotton it has no further interest in the action. (Cotton Mills vs. Weil, *supra*; First Nat. Bank of Springfield vs. Asheville Furniture and Lumber Co. 120 N. C. 475.)

It was error to consolidate the action against the bank with this action, but this action will be allowed to stand upon the docket, and the plaintiff will be entitled to the same rights as if no order of consolidation had been made.

CERTIFICATE OF DEPOSIT—AUTHORITY OF BANK TO ISSUE—AUTHORITY OF CASHIER.

Supreme Court of California, June 9, 1902.

ABBOTT vs. JACK, *et al.*

The Cashier of a bank has implied authority to receive money and issue receipts or certificates of deposit therefor; and such a receipt or certificate must be taken, in the absence of proof to the contrary, to be the act of the bank.

The semi annual statements of the Cashier are admissible in evidence for the purpose of establishing his authority in this respect.

The power usually exercised by commercial banks of issuing certificates of deposit was not curtailed by the statute of California conferring similar powers upon Savings banks.

The plaintiff was the holder of several certificates of deposit of date January 19, 1898, purporting to have been issued to her by the County Bank of San Luis Obispo, payable in six months, with interest at 5 per cent. per annum, and signed, "R. E Jack, Cashier," and of other similar certificates purporting to have been issued by the bank to her assignors, dated in the years 1897 and 1898, signed by the Cashier or Assistant Cashier; and she brought this suit against the defendants, as stockholders of the bank, to recover their proportionate parts of the indebtedness alleged to be due to her. The findings of the court were adverse to the plaintiff, except as to the sum of $7.03 found to be due to her from the defendant, the Goldtree Bros. Company; and judgment was entered accordingly for the defendant Mrs. Jack, and against the other defendant for the amount named. The plaintiff appealed from the judgments, and for an order denying a motion for new trial.

SMITH, *C.:* On the trial, the genuineness of the signature of R. E. Jack and his official character of Cashier of the bank having been proven, the certificates of deposit issued to the plaintiff were provisionally admitted in evidence, subject to be stricken out upon the failure of the plaintiff to connect them with the bank; and, all evidence upon the point offered by the plaintiff having been excluded, they were subsequently stricken out. In this we are inclined to think the court erred.

The authority of the Cashier of a bank to receive money, and to issue receipts or certificates of deposit therefor, seems to be implied by the very name

of his office (Bouv. Dict.; Cent. Dict. word "Cashier"); and hence, it would seem that such a receipt or certificate signed by him must, in the absence of proof to the contrary, be taken to be the act of the bank. But however this may be, certainly his authority might have been proved by any of the several kinds of evidence offered by the plaintiff for that purpose—that is to say, by the semi-annual statements of the Cashier, or by the custom of the bank or of the Cashier (Phillips vs. Lumber Co. 130 Cal. 434; Carpy vs. Dowdell, 115 Cal. 677); and we are of the opinion, also, that the power was expressly conferred by section 12 of the by-laws of the bank, which reads as follows, and, taken in connection with the nature of the office of the Cashier, clearly confers upon him the authority to issue such certificates: "The secretary * * * shall as Cashier have charge of the funds and property, books, papers and other matters of the bank and shall have power to sign equally with the President all drafts and papers connected with the banking business. The President and Cashier shall further perform the duties necessary to be done for the legitimate transaction of business under such rules, regulations and restrictions as the board of directors may by resolution prescribe." Similar rulings were made as to the other certificates of deposit offered, and the same observations will apply.

There is nothing in the objection made by the respondent that the bank itself had no authority to enter into such a transaction. "Such certificates are usual with commercial banks," which have full power to contract in this, and in all other respects not prohibited; nor are their powers curtailed by the statutory provisions expressly vesting similar powers in Savings banks. (Civ. Code, § 576; Murphy vs. Bank, 119 Cal. 341, Magee, State Banks and Bank Officers, 36 [cited by appellant's counsel].)

CONDENSED LEGAL DECISIONS OF INTEREST TO BANKS.

BANK OFFICER—RECEIPT OF DEPOSIT—AUTHORITY—EVIDENCE—BANK'S LIABILITY.

Whether an officer of a bank had power to bind it by the acceptance of a deposit, with instructions as to its distribution, is to be determined by a consideration of his relation to the bank, and the principles governing the same, and not by the mere opinion of a witness, such as the Cashier and secretary, as to the legal effect of that relation.

A debt to a bank was secured by a deed of trust which named an officer thereof as trustee. The latter generally attended to its loans, and in the course of such business received a check from an intending purchaser of the property for more than the amount of the debt, and signed a reconveyance of the property to the parties. The transaction was had and the check delivered to him across the counter and at the desk or window where such transactions were ordinarily had; and he was instructed to deduct the amount of the debt and hold the balance on deposit for the debtor. He handed the check to a teller, and the money therefor was received by the bank. He was authorized to sign and indorse checks and sign certificates of deposit in the absence of the Cashier, and in this case issued a certificate to the debtor's husband for the balance due her, and afterwards paid the same to the husband's order. *Held*, that he was authorized to receive the deposit, and the

bank was accordingly liable for the money received for the debtor, and which it had never paid to her.

Burnell vs. San Francisco Sav. Union, 69 Pac. Rep. (Cal.) 144.

CASHIER—AUTHORITY—EVIDENCE—CERTIFICATES OF DEPOSIT—STOCKHOLDERS.

In an action on certificates of deposit signed by the Cashier of a county bank, his semi-annual statements and evidence of the custom of the bank or of the Cashier in issuing such deposits, were admissible to show his authority to do so.

Where the by-laws of a bank provided that the Cashier should have power to sign all papers connected with the business, and perform the duties necessary for the transaction of business, he had power to sign certificates of deposit.

A commercial bank has authority to issue certificates of deposit payable at a certain time, with interest.

The authority of a commercial bank to issue certificates of deposit, payable at a certain time, with interest, is not curtailed by Civ. Code, § 576, expressly vesting such power in Savings banks.

In a suit on certificates of deposit against an alleged stockholder of the issuing bank, the court found that defendant never was a subscriber for, nor appeared on the books as the owner of, nor did at any time own, any shares in the bank. On appeal, appellant claimed that such finding was contrary to the evidence. *Held*, that as the finding was, in effect, only of the single fact that defendant was not a stockholder, the general objection to the sufficiency of the evidence to sustain it was not defective because not specifying the particulars in which the evidence was insufficient.

In a suit on certificates of deposit against an alleged stockholder in the issuing bank, it appeared from the stock book that a certain number of shares had been issued to defendant, and that the same stood in her name until the certificate was surrendered and canceled. Two days after the certificate was issued defendant assigned the same to her husband, but continued to appear on the books as the holder. The husband testified that, on notifying defendant of the issue of the stock she refused to accept it, and that he told her that, if she would not receive it she must assign it to him, but there was no finding as to such facts. *Held*, that under Civ. Code, § 322, providing that the term "stockholder" includes not only persons appearing on the books to be such, but also every equitable owner of stock, a finding that defendant was never the owner of any stock was contrary to the evidence.

Abbott vs. Jack, *et al.* 69 Pac. Rep. (Cal.) 257.

CHECK—COLLECTION—FAILURE TO PROTEST—RELEASE OF PARTIES—DAMAGES—MONEY HAD AND RECEIVED.

Tomlinson, Stafford & Co. issued their check on the Union Stock Yards Bank of St. Paul, for the sum of $600, payable to one Holton, who indorsed the same in blank, and presented it to defendant for payment. Defendant cashed it, and immediately sent it to plaintiff at Chicago, its correspondent at that place, for collection and remittance. Upon the receipt of the check plaintiff credited defendant's account with the amount thereof, and defendant

subsequently drew it out. Being unable to collect the check plaintiff brought this action against defendant for money had and received. The evidence is examined and considered, and *held* sufficient to sustain the findings of the trial court to the effect that by plaintiff's failure properly to protest the check for payment the indorser and drawer thereof were discharged, in consequence of which defendant was damaged *prima facie* to the full amount of the same.

Plaintiff was defendant's agent for the collection of the check, and was bound to exercise reasonable care and diligence to protect all the rights of defendant in respect to the liability of the indorser and drawer thereof; and a failure to exercise such care released defendant from liability to plaintiff.

The measure of damages in such cases is, *prima facie*, the face value of the check, subject to reduction and mitigation, however, by a showing of insolvency of the persons discharged from liability, or other fact showing no damages in point of fact. Solvency is ordinarily presumed, and the burden is upon him who asserts the contrary to prove it.

In an action for money had and received, where the complaint alleges no facts upon which plaintiff relies for recovery, but only that plaintiff paid out for the use and benefit of defendant, and at his request, a specified sum of money, the defendant may, on the trial, under a general denial, offer any evidence at his command to contradict, explain, or avoid the facts proven by plaintiff.

Ft. Dearborn Nat. Bank vs. Security Bank of Renville, 91 N. W. Rep. (Minn.) 257.

BANK REORGANIZATION—BANKING DEPARTMENT—LIABILITIES—BONDED INDEBTEDNESS OF STATE—PURCHASE EXTINGUISHMENT.

The banking department of the Citizens' Bank of Louisiana was a new creation under the act of 1853, and the compact or articles of association of that year, adopted in pursuance of the act.

The legislation of 1853 and the compact formed a new constitution of the bank, in virtue of which the banking department never became liable for the bonded indebtedness of the State incurred in 1836 in aid of the bank.

Being a new creation for the purpose of conducting a general banking business and not being liable for the bonds of the State, it follows that the banking department had the capacity to purchase as an investment of separate funds, or in current business, the bonds in question, just as any other bank or third person could do.

This being so the purchase did not extinguish the bonds by confusion, and the banking department is entitled to the benefits of the funding scheme in reference to the bonds it holds, in like manner as any other person would.

Hope, *et al.* vs. Board of Liquidation of State Debt, *et al.* 32 So. Rep. (La.) 547.

CORPORATIONS—LOAN AND INVESTMENT COMPANIES—ACTS ULTRA VIRES—GUARANTY OF NOTES OF THIRD PARTIES—INDIVIDUAL LIABILITY OF STOCKHOLDERS OF FOREIGN CORPORATION—CONCLUSIVENESS OF JUDGMENT AGAINST CORPORATION—APPEAL.

A guaranty by a loan and trust company, for a valuable consideration, of a promissory note given by one third party to another, and not negotiated by it, is *ultra vires*, such a corporation organized under Kan. Comp. Laws 1885,

p. 310, c. 23, for the purpose of transacting the business of a loan and trust company and of buying and selling personal property, including commercial paper, with power to enter into "any obligation or contract essential to the transaction of its ordinary affairs," but forbidden to employ its property for any other purpose than to "accomplish the legitimate objects of its creation."

Obligations which a corporation had no right to incur because *ultra vires* are not dues from the corporation, within the meaning of Kan. Const. art 12, § 2, providing that "dues from corporation shall be secured by individual liability of the stockholders," although the corporation may be estopped from denying the validity of such obligations.

A judgment against a corporation is not so conclusive on a stockholder in an action to enforce his individual liability for a corporate obligation under the Kansas Constitution and laws, as to prevent his showing that because such corporate obligation was *ultra vires* he was not liable under such constitution and laws.

Ward, Treasurer, vs. Joslin, 22 Sup. Ct. Rep. (U. S.) 807.

DEPOSIT OF NON-RESIDENT DECEDENT—PAYMENT TO FOREIGN ADMINISTRATOR—LIABILITY TO LOCAL ADMINISTRATOR.

Where a bank holding a small balance of deposit due a non-resident decedent, and which it has obligated itself to pay to her legal representative on surrender of the pass book, paid it out in good faith to her domiciliary administrator, who had title, before receiving notice of the prior appointment of a domestic administrator, it had a good defense to an action by the latter for the deposit, where it was not shown that there were local creditors whose claims would otherwise be lost.

Maas vs. German Sav. Bank in city of New York, 77 N. Y. Supp. 256.

INSOLVENCY—REORGANIZATION—RATIFICATION BY STOCKHOLDERS—ESTOPPEL—LIABILITY OF STOCKHOLDERS—SALE OF STOCK.

The Allemania Bank of St. Paul, a banking corporation organized under the laws of the State, became insolvent in 1897, and Receivers were appointed to take charge of and wind up its affairs. Subsequently, in April following the appointment of Receivers, a majority of the creditors petitioned the district court of Ramsey county to permit and authorize, under chapter 89, laws 1897, a reorganization of the bank on the terms and conditions of that statute, but the same was, after due hearing, ordered dismissed. Some four months subsequently, but without notice to creditors and interested parties, the same petition was again presented to that court, but to a judge other than the judge who had previously ordered its dismissal, who, without knowledge of the prior dismissal, granted its prayer, and ordered the entry of final judgment approving and adopting the proposed plan of reorganization, and adjudging and determining therein and thereby that all stockholders who should pay any portion of their liability as such to aid and assist in the purposes of the reorganization should be released from their statutory liability to the extent of the amount so paid. The Receivers were thereupon discharged, and the officers of the bank resumed control of its affairs, and issued to all the creditors, payable in five equal annual installments, certificates of deposit for the amount of their respective claims, which the creditors accepted and

retained; and at no time did any of them, who are now creditors, in any way call in question the validity of the reorganization, or the judgment authorizing it. Defendant was a stockholder of the corporation, and paid, in reliance upon the terms of the judgment, one-half the par value of the stock held by him, to aid in the reorganization, which was effected in the interest of creditors, and for the payment of their debts. It is *held*: (1) That the findings of the trial court, to the effect that all the creditors of the bank acquiesced in and ratified the proceedings under the reorganization, are sustained by the evidence; and (2) that though the judgment adopting and approving the plan of reorganization was void, because based upon a petition which had been dismissed, the creditors who acquiesced therein and accepted and retained benefits accruing therefrom, are estopped from now calling the validity of such proceedings in question.

Section 4, c. 89, Laws 1897, construed, and *held* to preserve and continue the liability of stockholders, notwithstanding a sale of their stock, to a period of one year beyond the time fixed for the payment of debts in proceedings under reorganization of banks authorized by that statute.

Whether the court would, if proper objections were made, have authority under said statute to provide for the payment by stockholders of a portion of their liability as such to aid in the reorganization of the bank, and relieve them from subsequent liability to the extent so paid, *quaere*. The question is not presented in this case, for the acquiescence of the interested parties rendered the judgment and proceedings thereunder valid on the principles of estoppel.

Hunt vs. Roosen, 91 N. W. Rep. (Minn.) 259.

NOTES—INDORSEMENT—CORPORATION—EVIDENCE—BANK—CASHIER—NOTICE.

In a suit by a bank on a note made by defendant, payable to the V. Coal Company, and indorsed, "V. Coal Company, H., Secretary," there was evidence that it was given in part renewal of other paper made by defendant and indorsed by the secretary; that the president of the coal company was also the Cashier of the bank, who accepted the note in question; and that the president and the secretary of the company, after a consultation of its officers, had made another note, which defendant had accepted. *Held*, sufficient to show *prima facie* the secretary's authority to indorse the paper.

Where a bank purchased a note from a corporation which had received it without consideration, the fact that its Cashier, who discounted the note after consultation with the directors, was the president of such corporation, and knew all the facts, did not bind the bank with notice of the infirmities.

People's Sav. Bank of West Bay City vs. Hine, 91 N. W. Rep. (Mich.) 130.

SALES—TRANSFER OF DRAFT WITH BILL OF LADING—RIGHTS OF BUYER AGAINST TRANSFEREE—NATIONAL BANK—ATTACHMENT.

A bank buying a draft from the vendor to which a bill of lading of corn is attached is placed, as to the buyer, in the same situation as its assignor stood, and is liable to the buyer who had paid the draft for breach of contract in the delivery and quality of the corn.

Where a National bank purchased a draft with bill of lading of corn at-

tached, which was paid, and the money was in the bank's possession, a suit in equity, in attachment, by the buyer of the corn, against the seller and the bank for breach of contract, and praying a return of the money from the bank, is not an attachment within Rev. St. U. S. § 5242, providing that no attachment shall issue against any National bank or its property before final judgment in any suit.

Russel vs. Smith Grain Co. *et al.* 32 So. Rep. (Miss.) 287.

SPECIAL DEPOSIT—TRUST FUND—DESTRUCTION OF IDENTITY—MINGLING WITH GENERAL FUNDS—FAILURE OF BANK—APPOINTMENT OF RECEIVER—FOLLOWING FUND.

A tenant made a bank deposit on the express condition that it was to be held by the bank as security to his landlord for the faithful performance of his lease, taking a receipt reciting that the bank was to pay the landlord out of the fund deposited whatever damages he might sustain by reason of the tenant's default, and that after the expiration of a certain time, and on the conditions named in the lease, the bank was to hold the whole sum to the credit of the landlord, to be paid to him in certain installments. *Held*, that the deposit was a special one, creating a trust fund, and that the bank was bound to keep it intact for the purposes specified.

A tenant made a special bank deposit on the express condition that it was to be held as security to his landlord for the faithful performance of a lease, taking a receipt setting out the condition of the deposit, and the bank retaining a duplicate receipt. Afterwards, and without the knowledge or consent of either tenant or landlord, the bank mingled the money with its general funds, and, in order to conform the transaction to its bookkeeping system, attached to the duplicate receipt a certificate of deposit indorsed "Not subject to check," and reciting that the deposit was payable to the landlord in current funds, on the return of the certificate properly indorsed, with interest, etc.; but this certificate was never delivered to any one, nor was there any agreement between the parties as to interest. Subsequently the bank failed, and a Receiver was appointed. *Held* that, in the absence of any showing that the actual fund deposited had been withdrawn or dissipated, its identity as a trust fund was not so destroyed as to prevent its being followed and recovered as such by those entitled to it under the conditions of the receipt.

Woodhouse vs. Crandall, 64 N. E. Rep. (Ill.) 292.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

A reasonable charge is made for Special Replies asked for by correspondents—to be sent promptly by mail.

PRESENTMENT OF DRAFT—NON-RESIDENT PAYEE.

Editor Bankers' Magazine: HARRISBURG, Ore., August 8, 1892.

SIR: We receive from a bank in another town for collection a draft subject to protest, drawn by A on B at this town. B does not live here or have an office here, but is well known to us and lives in a nearby town where there is no bank or notary that we know of. We communicate with B by telephone and learn that he will not pay draft. Our notary cannot go to B's place of business without too much time and expense. What presentment can be made here so as to hold the endorsers. CASHIER.

Answer.—As the instrument was payable at Harrisburg, it was not necessary to present it elsewhere; and as the drawee had no office or place of business in your town, presentment was unnecessary; for by the provisions of the Negotiable Instruments Law presentment is dispensed with when after reasonable diligence it cannot be made.

DAYS OF GRACE ON TIME NOTES.

Editor Bankers Magazine: PHILADELPHIA, August 15, 1902.

SIR: Will you kindly inform us in what States days of grace are at present used in reckoning interest on notes, and in what States are both day of discount and date of maturity reckoned in computing discount. TREASURER.

Answer.—Days of grace are allowed on time notes in the following States: Alabama, Arizona, Arkansas, Georgia, Indiana, Indian Territory, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Mexico, North Carolina, Oklahoma, South Carolina, South Dakota, Texas and Wyoming. We know of no State in which both the day of discount and day of maturity are reckoned in computing discount.

LIABILITY OF A NATIONAL BANK CASHIER WHO REPORTS AN OVERDRAFT AS CURRENCY.

Editor Bankers' Magazine: JOLIET, ILL., August 16, 1902.

SIR: Is the Cashier of a National bank who reports to the Comptroller of the Curreucy as legal tender an overdraft by one of the bank's customers of which he is trying to enforce payment, liable to a criminal prosecution under the Federal statute? S. J.

Answer.—He is liable to indictment by the language of the act. We believe, however, that the intent would be of great importance and can say with confidence that he would clearly be subject to prosecution if he made the report with the intention of deceiving the Comptroller as to the condition of the funds of his bank.

LIABILITY FOR RECEIVING MONEY WHEN INSOLVENT.

Editor Bankers' Magazine: KENOSHA, Wis., June 30, 1902.

SIR: A friend of mine recently deposited its own certificate of deposit in a bank which was at the time insolvent and which subsequently closed its doors. Is the banker responsible criminally? Will the fact that the deposit is not subject to check nor recoverable within a year make a difference? H. W. C.

Answer.—The bank is liable to a criminal prosecution under the Wisconsin statute for receiving deposits when it is insolvent, and the fact that the deposit was of its own certificate does not make any difference nor will it be relieved by the fact that deposit is not subject to check nor repayable in a year. The transaction's true character remains that of deposit and the officers can not evade liability.

DEPOSIT IN TRUST FOR JOINT PARTIES.

Editor Bankers' Magazine: CUMBERLAND, Md., August 5, 1902.

SIR: A deposit was made in our bank some time ago in trust for the depositor, who owned the money, and another person as joint owners, subject to the order of either. Any sum remaining on deposit at the death of one of the parties was to go to the survivor. The depositor is dead and there is quite a sum remaining of the deposit. May we safely pay it to the survivor? The deceased, the original depositor, always held the book. DIRECTOR.

Answer.—It will be safe for your bank to pay the money to the survivor. The deposit was a good declaration of trust. The bank was trustee as much for the one party as for the other and was as much responsible to one as to

the other. The retention of the pass book is an immaterial circumstance in this case. It might, in the absence of an unequivocal statement of the depositor's intention, be of weight in determining what he really meant. But when we have removed this element the book remains merely evidence of the contract of deposit which may be proved like any other fact by any legitimate evidence.

DEPOSIT BY A SURROGATE.

Editor Bankers' Magazine: TRENTON, N. J., August 25, 1902.

SIR: We have in our bank a savings deposit in the name of J. C. V., Surrogate. Supposing he should die without withdrawing the deposit, to whom could it be paid?

Answer.—To his personal representatives, either his administrator or executor; the addition of the word surrogate is unimportant. It is what we call *descriptio personæ*, merely descriptive of the depositor, and it in no way affects the position of the bank.

BINDING FORCE ON DEPOSITOR OF BY-LAWS PRINTED IN SAVINGS BOOK.

Editor Bankers' Magazine: KALAMAZOO, Mich., June 10, 1902.

SIR: Can a bank refuse payment to a savings depositor, because it has paid the deposit to an unauthorized person who forged the depositor's name, by virtue of a rule or by-law in the deposit book relieving the bank from liability under those circumstances; when the depositor can not read English and the by-law was not called to his attention? Z. B. C.

Answer.—No. The rule or by-law is only binding on the depositor in banks organized under your law as a contract, and there is no contract unless he assents to it and there can be no assent when his attention is not called to it. Where the depositor is not one of the concern and is not entitled to the profits, his assent to the by-law can not be implied.

RIGHTS OF SPECIAL DEPOSITORS IN SAVINGS BANKS.

Editor Bankers' Magazine: MANCHESTER, N. H., August 20, 1902.

SIR: What is the status of special depositors in Savings banks as against general depositors upon the insolvency of the bank; when the special depositors receive neither interest nor dividends on their deposits? A. H.

Answer.—They are entitled to be paid first as against the general depositors who are estopped to deny the sufficiency or legality of the deposit.

POWER OF A SAVINGS BANK TO AGREE TO PURCHASE NOTES.

Editor Bankers' Magazine: DAVENPORT, Ia., August 3, 1902.

SIR: One of the Savings banks here agreed with me to purchase all such good business paper as I might choose to offer it in the course of my business, at a fixed rate of discount. Can I compel them to observe their contract? DEPOSITOR.

Answer.—Yes. The Iowa statute gives Savings banks power to discount and purchase notes.

RIGHT TO PAYMENT OF TOWN BONDS AFTER FUND IS EXHAUSTED.

Editor Bankers' Magazine: ELMIRA, N. Y., August 23, 1902.

SIR: I noticed in your MAGAZINE some time ago a question and answer concerning railroad aid bonds. I purchased some of this sort of bonds several years ago. They were issued by a township near here. They have now matured but the town authorities refused payment on the ground that the fund from which payment was to be made has been exhausted and say that I am not entitled to recover against the town. May I recover, or must I charge the transaction to profit and loss? D. T. B.

Answer.—The town remains liable to you and payment from its general fund may be compelled unless there is a peculiar clause in the bond limiting the responsibility to a particular fund.

TIMES FOR PAYING INTEREST ON CITY BONDS.

Editor Bankers' Magazine: SACRAMENTO, Cal., August 11, 1902.

SIR: We hold some city bonds in which the interest clause provides for three per cent. per annum. Are we entitled to ask interest semi-annually? TELLER.

Answer.—No.

VALIDITY OF REFUNDING BONDS WHERE MUNICIPAL OBLIGATIONS EXCEED THE CONSTITUTIONAL LIMITATION.

Editor Bankers' Magazine: SIOUX CITY, Iowa, August 22, 1902.

SIR: Our bank holds some of our city warrants. The city is not able at present to make payment and desires to issue bonds for these warrants and some of its old matured bonds. The present indebtedness of the city equals or slightly exceeds the amount fixed by our constitution. Will those bonds be of any value? STOCKHOLDER.

Answer.—Yes. There is no addition to the indebtedness by the refunding process which you have described and therefore the constitutional inhibition will not be transgressed. The transaction which you have narrated is merely a change in the form or evidence of the obligation.

WHAT LIST DETERMINES WHETHER BONDS EXCEED THE STATUTORY PERCENTAGE OF ASSESSED VALUATION.

Editor Bankers' Magazine: BEATRICE, Neb., August 25, 1902.

SIR: One of our customers purchased some county bonds issued by one of our counties. Our law provides that counties may not issue bonds for more than one per cent. of the assessed value of the property within the county. In purchasing these bonds our customer relied on the county clerk's certified assessment. It has turned out that this is wrong and the county officers insist that he should have verified this by the books of the precinct assessor and the minutes of the board of equalization. Is this correct? What determines whether enough votes were cast to warrant the issue of these county bonds? E. W.

Answer.—1. No. The *bona fide* purchaser, that is the purchaser in good faith and in ignorance of the error in the county clerk's return, is not the loser because of the error and need not consult the other records which you name. 2. The record of the county board of their determination that the necessary number of votes favored the bond issue.

NECESSITY FOR A WRITTEN NOTICE THAT A NOTE HAS BEEN DISHONORED.

Editor Bankers' Magazine: WILMINGTON, Del., August 18, 1902.

SIR: Is it necessary that the indorser of a note be notified in writing that it has not been paid? A LENDER.

Answer.—The form in which the indorser is notified of the dishonor of a note is immaterial. All that the law requires is that he be clearly informed of the non-payment of the particular note in question, and whether the notice is verbal or written is of no consequence save that in proving the notice the writing is better evidence than the spoken words.

RATIFICATION OF DIVERSION OF ACCOMMODATION NOTES.

Editor Bankers' Magazine: MOBILE, Ala., August 17, 1902.

SIR: A desired to buy a horse of C, but did not have the money. B consented to indorse the note of A, to enable him to raise the money providing A would turn some county warrants over to him. A did so, but having secured the money spent it in a wheat speculation. B learned this fact, but afterwards, and before the note was due, collected the warrants. Can he be held liable on the note? X. Y. Z.

Answer.—Yes. Even if the use of the money differently from that intended should be considered as a diversion, nevertheless the fact that B collected upon the collateral placed with him will be treated as a ratification

of A's use of the money and preclude him from setting up the diversion. While an indorser for accommodation may restrict the use of the proceeds of the accommodation indorsement, such restriction will ordinarily not be implied but must be expressed.

SUFFICIENCY OF CERTIFICATE OF PROTEST.

Editor Bankers' Magazine: MEMPHIS, TENN., August 25, 1902.

SIR: When a note is payable at a certain bank is the protest notice that it was presented there sufficient without a statement as to whom it was presented? J. B. H.

Answer.—It is. The certificate of protest need not name the individual of whom demand was made. The mere statement that it was presented at the bank is enough.

INDORSEMENT FOR COLLECTION.

Editor Bankers' Magazine: LINCOLN, Neb., August 9, 1902.

SIR: Who is the owner of a note which has been indorsed for collection? May the indorser for collection go to the indorsee's agent and demand payment? D. A. S.

Answer.—The indorser for collection remains the owner for all practical purposes. He may control the note until paid in full. The indorsee has only that title which will enable him to demand and receive payment. The indorser may collect from an intermediate agent.

RELEASE OF INDORSER, WHEN MAKER IS INSOLVENT, BY FAILURE TO PROTEST.

Editor Bankers' Magazine: DALLAS, Tex., August 9, 1902.

SIR: A note was left with us for collection. Before it became due the maker failed in business and has been insolvent ever since. We did not deem it worth while to formally present the paper and demand payment as we knew we should only meet with a refusal. An indorser of the note who is financially responsible claims he has been discharged and our customer seeks to hold us liable for the note. Are we liable? G. W. C.

Answer.—No. Your bank is not liable because your failure to present the note and give notice of dishonor did not release the indorser. A statute in your State covers this ground, and the failure of the holder to sue or protest the note will not release the indorser when the maker was insolvent at the time of the maturity of the note.

LIABILITY OF INDORSER WITHOUT RECOURSE IN CASE OF USURY.

Editor Bankers' Magazine: ELGIN, Ill., August 5, 1902.

SIR: A gentleman came here desiring to sell a note. As he would only endorse it without recourse, our bank refused it; but as I knew the party who gave the note was good, I bought it for myself. Upon maturity the maker refused to pay it. I brought suit but did not recover all that I should because the maker claimed usury. Have I any redress against the man from whom I bought the note? M. J. U.

Answer.—You have. Notwithstanding the indorsement without recourse the transferrer to you is responsible for the deficiency in your recovery because of the defense of usury.

LIABILITY OF INDORSER OF A NON-NEGOTIABLE NOTE.

Editor Bankers' Magazine: OMAHA, Neb., August 27, 1902.

SIR: I enclose a copy of a note and the indorsements. Will you please tell me what liability the indorser has imposed upon himself?

"South Omaha, Neb., August 2, 1900. On or before one year from date or as soon as I sell my herd of cattle of the X brand I promise to pay James H. Leffingwell or order ninety (90) per cent. of the proceeds of said cattle. (Signed) Henry Poundstone. (Indorsed) Jas. H. Leffingwell. (L. S.)." A. K. Y.

Answer.—None. The indorsement in blank, sealing and delivery of a non-negotiable promissory note does not make the payee liable to the holder.

LIABILITY OF ONE WHO INDORSES A NOTE WHILE IT IS IN THE HOLDER'S POSSESSION.

Editor Bankers' Magazine: LOCKPORT, N. Y., August 7, 1902.

SIR: I sold some horses to a gentleman here and took his note. Before the note was due he sold the horses to another and as part of the purchase price the purchasers from him assumed the obligation of the notes and came to me and endorsed them. Can I sue this indorser? INQUIRER.

Answer.—Yes. He is liable to you to the extent of the notes because of his promise to pay them as part of the price of the horses.

NEGOTIABILITY OF A NOTE PROMISING TO PAY COSTS OF COLLECTION.

Editor Bankers' Magazine: MACON, Ga., August 7, 1902.

SIR: A note was indorsed to our bank which contained a clause agreeing to pay costs of collection and attorney's fees. At maturity the maker who is a farmer living near here refused to pay it, claiming that it was given for some county rights to sell a patented article, and upon an agreement that he would only be deemed liable to pay it from the proceeds of his sales. These sales he claims have netted him nothing. We were not informed of any such agreement at the time. We took the note and supposed it was ordinary business paper. Can we recover of the farmer? PRESIDENT.

Answer.—Yes. If you were purchasers in good faith and for value, not necessarily for all that the note called for but for a reasonable percentage of it, you may recover. The negotiability of the note is not impaired by the provision for costs and attorney fees. And you as an indorser are not affected by the agreement collateral to the note.

VALIDITY OF A NOTE INTENDED AS A GIFT.

Editor Bankers' Magazine: MATTOON, Ill., August 14, 1902.

SIR: Is a note given to a college upon the condition that the money be used to procure laboratory apparatus payable at a certain time or at the maker's death if that occur before the date named, valid? TRUSTEE.

Answer.—Yes. Neither the designation of the use to be made of the money nor the uncertainty as to the time of payment avoids it.

DELIVERY OF NOTE.

Editor Bankers' Magazine: CHAMPAIGN, Ill., August 21, 1902.

SIR: A while ago I took a man's note for some corn. He did not give the note to me but handed it to my lawyer. He says now that the note is not good because he never gave it to me. Is it? A. J. R.

Answer.—Yes. The delivery to your attorney was sufficient to execute the note and make it binding.

VALIDITY OF SECURITY GIVEN A NATIONAL BANK FOR PAST AND PRESENT LOANS.

Editor Bankers' Magazine: LEXINGTON, Ky., August 6, 1902.

SIR: Our bank is a National bank and has had several transactions with a party to whom it has just made a loan taking security for that and a balance due it in the prior dealings. Is the security good—that is, is it legal? CLERK.

Answer.—Not as a whole, even if it is a personal security. But the provision including the prior accounts will not entirely avoid it, and it may stand as to to the contemporaneous loan.

RIGHT OF LENDER AGAINST STOCKHOLDER.

Editor Banker's Magazine: BAY CITY, Mich., August 9, 1902.

SIR: Is one who loans money to a bank entitled to recover from the fund collected from the stockholders upon the bank's failure? DEPOSITOR.

Answer.—No. The fund collected from the stockholders is for the depositors and does not go to lenders who are not depositors.

VALIDITY OF A LOAN TO A NATIONAL BANK UPON MORTGAGE.

Editor Bankers' Magazine: WARREN, Kan., August 29, 1902.

SIR: We have had considerable discussion here as to whether a mortgage given to a National bank for a loan made at the time is of any value. An attorney says that it has been decided that such a mortgage is valid until the Government intervenes. What light can you give? L. T.

Answer.—Your counsel was quite right. The point was decided in a rather obscure Maryland case a few years ago.

RIGHT OF COLLECTING BANK TO SEND CHECK DIRECTLY TO DRAWEE BANK.

Editor Bankers' Magazine: ST. JOSEPH, Mo., August 17, 1902.

SIR: May a bank with which a check has been deposited for collection safely transmit it to the bank upon which it is drawn. CASHIER.

Answer.—The point is one which can not be answered directly. The cases are not harmonious. It has been decided that this may not be done, and it has also been decided that it may. The best course would be to send the check to a neighbor bank, either in the same town or in one near by.

SAVINGS BANK—RIGHT TO WITHDRAW DEPOSIT.

Editor Bankers' Magazine: VICKSBURG, Miss., July 8, 1902.

SIR: Mrs. McC. from time to time deposited in the M— Savings bank, various sums of money. As evidence of these deposits the bank issued to her four deposit books. One was issued directly to her in her own name, the other three were issued in the name of her three minor nieces, Agnes, Anna and Nellie, each subject to the order of the depositor, Mrs. McC. After the minors reached lawful age Mrs. McC. demanded payment of the several sums deposited in their names, but the bank refused to pay on her order. The three deposit books each contained a printed copy of the by-laws, allowing guardians for their wards, and parents for their children, to deposit money for the benefit of such wards or children, respectively. Mrs. McC. claims that at the time she made these deposits in the names of her nieces, she asked the teller of the bank if she could make the deposits in her own name, and subject to her own order, and if she could draw the money out at any time, and he replied it was subject to her order and control all the time. She was not the guardian of the minors. She has always had the bank books in her possession, and never told anyone about the deposits. The only reason she gives for making the deposits in this way is that she put it there so that she could draw it out at any time, if she thought they were worthy of it, and she claims that at the time she first made the deposits, she intended to retain control of the deposits at all times, and that she did not intend to give the money to her nieces. Is the position the bank has taken correct and necessary for its protection? TELLER.

Answer.—There is nothing in your statement of facts sufficient to show that the deposits were made for the benefit of the nieces, so as to justify the bank in refusing to allow the depositor to withdraw them, especially if she did not intend to make a gift to the nieces, and did not tell them of the deposits, or relinquish control of them. To make a gift *inter vivos*, perfect and complete, there must be actual transfer of all right and dominion over the thing given by the donor, and an acceptance by the donee or some competent person for him; and it is essential to the validity of such gift that it should go into effect, together with the transfer of property, at once and completely.

* THE PRACTICAL WORK OF A BANK.

DISCOUNTS, LOANS AND INVESTMENTS.

I.

The art of loaning money safely and profitably is the art of banking. All else is supplementary, and for the most part, mechanical.

The man who knows how to lay down a thousand dollars so that he can take it up again when he wants it, has learned the main qualification for a successful banker. Not possessing this faculty, the heart of the matter is not in him.

Hard and fast rules may do, and, indeed, are a necessity for other branches of the business, but they will not answer here. A system of accounting may be so devised as to arrive at results with mathematical exactness. The eye, and even the touch, may be trained to such perfection as to insure almost absolute immunity from the counterfeiter's arts. The idiosyncrasies of handwriting obey laws which an expert can apply with almost sure success. But there is no ready reference system in "detection" at the banker's elbow to tell him if John Doe will pay his note at maturity, or, if John Doe does not pay it, whether the endorser, Richard Roe, can or will assume and make good the obligation. Still, there are a few hints, outline methods of recording and comparison, which experience has proved to be of value.

Information Regarding the Bank's Clients.

Information concerning the bank's clients should be constantly gathered and systematically kept. For this purpose a diary or commonplace daily record book is invaluable. A specimen page of Paul Pry's journal would read something like this:

January 15, 1909.

Stokes Bros. burned out. Insurance said to be light.

Judgments vs. Wills, $1,260.41. N. D. Lyte called; says his suit with the city is still on; promised to make a new statement.

X. Y. Z. Milling Company placed a new mortgage on their plant for $125,000.

Miscellaneous items soon become lost in a book of this character, and some of these entries might be posted in a sort of ledger thus:

Beaver Falls Button Works.

Last statement, February 1, 1908.

October 4: Suit commenced by the Oxide Co. for infringement of patents. —— Penfeather, secretary, resigned.

Later: A shortage of about $2,000 developed in his accounts.

November 1: Fire in their finishing shop. Insurance $——.

In connection with these books of record should be a series of envelopes, labeled, numbered and indexed, containing statements, letters, news-clippings, etc., always at hand for immediate reference.

So much for the information. Now, how shall it be obtained?

What are the sources of supply?

Your true credit man, with a "nose for news," soaks up this sort of information

* A series of articles to be published in competition for prizes aggregating $1,050, offered by The Bankers' Magazine. Publication of these articles was begun in the July, 1901, number, page 18.

like a sponge. But granting this faculty of absorption, some method is necessary to obtain the quickest and surest results.

Every borrower should be called upon periodically to furnish a statement of his financial standing. Intervals between these regular statements should certainly not be longer than a year. The standard form adopted by the New York State Bankers' Association is a very good one, and has the advantage of securing uniformity.

But there are many instances, especially among an unlettered or rural constituency, where it is quite difficult to obtain satisfactory figures. Many men who are perfectly solvent and capable in their own particular line of business make most laughable mistakes in attempting to reduce their condition to bookkeeping forms. Rather than to insist that the applicant befog the main issue in his attempt to express himself in a foreign tongue, for this is what the technicalities of accounting are to many, ask a few direct questions. These will frequently suffice to evolve the whole story, thus:

Where is your real estate?
What did you pay for it?
What does it rent for?
What are the mortgages on it?
Who holds these mortgages, and at what rate of interest?
How much is your stock of goods worth?
What do you owe on that?
What other debts have you?

These questions, with the answers, may be typewritten, and signed by the applicant.

Ask direct questions and insist on receiving direct replies. Get at the ultimate facts, the lowest foundations. Brush aside all fancy valuations, and find the actual cost of a man's house and lot, his stock of goods, his manufacturing plant. There are many men who dwell in a curious haze concerning their affairs, walking in a sort of mist, through which their assets loom large and imposing, while their liabilities recede and lose their definite outline.

The province of the banker is to correct the faulty drawing and restore the proper proportions. Lest this should be thought unnecessarily vague, let us consider a little more in detail some of the items generally prominent in most statements.

Fluctuations in the Value of Real Estate.

Realty valuations are subject to alternate periods of the wildest booms and the lowest depressions. Somewhere between these two extremes lies the actual value. A man who has just bought a piece of real estate on speculation naturally inclines to think well of his purchase. Believing in its future, he too often confounds its present with its prospective value. After the actual cost of land and buildings is ascertained, it is well to find out what they actually pay in rents. The income which a property will produce per annum often gives a better idea of its true worth than the figures at which it stands upon the books.

Then, of course, there are the incumbrances, the parties holding the mortgages, the length of time they have to run, the rate of interest paid, arrears of taxes and assessments, etc. Many of these details may be verified by reference to the city or county records.

Merchandise Assets.

Get the exact date of the last stock-taking. This is important, as many lines of goods are variously affected by time, climate, weather, fashion, etc. Where a large proportion consists of staple articles which may readily be turned into money, it is safe to make liberal advances. But on goods of a special character, such as works

of art, art furniture and hangings, fancy and proprietary articles, for which the demand is either temporary or subject to the caprices of taste or fashion, a wide margin for depreciation should be allowed. "Dead stock," old and unfashionable or new and unfashionable goods remaining on the books at cost prices, make a brave but fictitious show in too many statements.

Be careful with the man who buys everything. The writer recalls one prosperous country merchant who finally fell into a Receiver's hands because of his inability to resist this special form of temptation. His ambition to display the best stock of shoes in three counties marked him as the victim of every drummer who came to town.

Machinery, Plant and Fixtures.

Here the book value is often as far as possible removed from the actual commercial value. The value of ordinary factory buildings may be quite easily estimated. But on fine machinery or an elaborate and costly manufacturing plant, the opinion of an expert should be obtained; some one who knows the requirements of the trade, and can say with authority whether the outfit is old and antiquated or new and impracticable, whether there is not enough machinery or too much.

The wavering uncertain line which divides intrinsic from commercial values should never be lost sight of. In the strictest commercial sense that thing only has value which people want and will pay for. The more people want it and the more they will pay for it, the greater its value. Whether the thing thus paid for has any other than a commercial worth is another story.

Verifying the Statement of Liabilities.

Crossing now to the other side of the sheet where the liabilities are shown, we again find it important to go behind the returns. Are they all there? The assets are, we may be sure, even if they are not counted up right. Debts are easily concealed. To a certain extent direct indebtedness may be verified, such as amount due banks, liens or incumbrances on real or personal property, etc. But not less important to ascertain, if possible, are accommodation endorsements, surety bonds, lawsuits which are pending, and any other form of contingent liability.

All this brings us back to the personal equation, to the man behind the statement, rather than to the statement itself. The value of a property is largely determined by those who own or control it. A business may be healthy, growing, throwing out new sprouts and leaves like a tree, while discarding its dead branches, or dead and lifeless, according to the motive power which inspires it.

The man himself may be his own best asset, and sometimes, unfortunately, his very worst one.

Figures are said never to lie, but surely this saying must have been invented by some one whose acquaintance with them was but slight. They may be made to speak the truth, and then again juggled and tampered with in such fashion as to become the greatest little liars in the banking system.

Assuming that every banker is a diligent reader of the daily papers, and of at least one or two trade journals, clippings from these should be carefully preserved and placed in the credit envelopes.

Dealers' accounts ought to be closely watched and frequently investigated. Their checks and deposit tickets tell a story which no bank credit man can afford to disregard. But how can this be done? What time can a busy bank official find for following through books and vouchers on the trail of his clients?

By training others to do it for him. Make every clerk understand that something more is expected of him than to be a mere adding and counting machine, and that a part of his duties is to gather credit information and bring it into the office. Have

every assistant, even the youngest and most inexperienced, develop his faculty of observation and comparison, and thus, in becoming a valuable aid to those above him, lay the foundation for his own future success in the financial world.

Records for the Various Departments.

Each of the various departments should have its own record or blotter for notes, memoranda, clippings, and credit information generally. The paying teller's record might contain items something like the following:

Stalker & Co. drawing large amounts of currency lately. January 8, 1909, $5,000; January 12, 1909, $7,500; February 2, 1909, $8,800.

Stalker always comes himself and says "they want it for a special purpose." Always asks for large bills.

March 1: Blake Bros. drawing against their deposits. Last check $1,000 to Mix & Co. was a "kite." B. Bros.' bookkeeper in to-day and says "the firm is going to pieces."

The receiving tellers' record would run somewhat differently, thus:

Williams & Wiggin "kiting" checks lately with Saxon Bros. Refused one for $1,500, unless it was certified. Clerk says "Wiggin is virtually out of the firm."

J. X. Jones depositing Cashiers' checks of the Equity National Bank. Is Jones selling his paper to them?

Check of the Sunflower Mfg. Co. $500 returned "N. G." 'Phoned their bank, who say that the Sunflower people are getting decidedly weak.

The record of the discount and collection department would disclose still another class of facts.

J. Hulse & Cos.' paper protested lately. Note January 4, 1910, $1,250; January 9, 1910, $1,700; February 15, 1910, $765.

Noted J. Swansel's endorsement for the first time on Payne Mfg. Co. paper.

Walsh Bros.' note not paid promptly at bank. Often taken up at window by certified check or currency, after having been refused by their bank.

The bookkeepers ought also to keep their records of credit information, watching the accounts as they ebb and flow, and endeavoring to ascertain for themselves what these movements mean and what are the facts behind the figures, instead of contenting themselves with merely footing and posting their columns correctly.

The inference to be drawn from items like these is evident at once to every banker. They are the straws showing which way the wind blows; the clouds, often no bigger than a man's hand, telling of the coming storm. Rarely does a man's bank account fail to reveal his financial condition, if its transactions are read correctly. The working force of the bank, the clerks, are the keepers and custodians of these accounts. Every item, every ticket and voucher passes under their direct observation. A proper intelligence applied to their daily routine of work will make them to read the history of these documents with an approximate degree of correctness, and to acquire for themselves and the bank a valuable fund of information. To make every man an eye and an ear, to organize the whole force into a mercantile agency, a detective service at the disposal of the head, and to record the information thus gathered so that it shall at all times be immediately available, is the work of the credit department.

The same plan of systematic observations and records concerning individuals and their transactions may be applied to the general market and its fluctuations. These should be closely watched. But here, as before, a mere mechanical record, however accurate, of prices, values and quotations, is not sufficient. There must be an instinct to know when people have overbought or undersold, when certain lines of trade are likely to do well, and other lines as certain to do ill.

Classification of a Bank's Loans and Discounts.

The total loans, discounts, and general investments of a bank may be somewhat roughly divided as follows:

Class A, twenty per cent.: Available securities. Short loans on collaterals which may be readily turned into cash.

Class B, forty per cent.: Loans and discounted paper having between three and nine months to run, but fairly available before maturity in case of need.

Class C, forty per cent.: Long or standing loans.

Of these three classes it is only necessary to speak of the first and the last.

Class A ought never to be allowed to fall below the above percentage. It constitutes what may be called the "loan reserve," and ought to be kept up day by day, as strictly as is the cash reserve. Two reserves thus conscientiously maintained, one of cash, and the other composed of assets almost instantly convertible into cash, will place the bank above any ordinary danger of sudden runs or panics.

Class C consists of long, and what for a better name, may be termed "intimate" loans or investments. It consists generally of loans, often of long standing, and which, from the nature of their security, may be more safely and profitably handled by the bank than by anyone else. That such loans may be open to criticism is undeniable. Certainly their amount should be restricted to carefully guarded limits. Nor should any loan, no matter how good, be allowed to remain too long upon the books. For the sake of change, if for no better reason, insist on the settlement of an oft-renewed note. It is a bad thing for the best of borrowers to have the day of payment indefinitely posponed. Pull up—by the roots, if necessary, and although it may leave an ugly hole, any line of credit which looks towards permanency, or a practical partnership with a customer. And yet, having said all this, the fact remains that every bank, through its own special connections, and by reason of the intimate knowledge which it alone possesses of its own dealers, may place money safely, profitably, and often for long periods, on security which would not be acceptable elsewhere.

Thus, aside from general facilities for money loaning, every institution may have, or make for itself, a special field wherein to work with safety and advantage. The best loans do not always come to market. Quite frequently there is a curious ignorance or diffidence which prevents people from making their pecuniary wants known. Some may be surprised to know this, but many instances have come to the writer's knowledge where solvent, would-be borrowers, either from not knowing how to go about it, or, possibly from the many obstructions with which some banking officials consider it necessary to hedge themselves about, have allowed their business to be cramped and even to suffer loss. Here again is shown the importance of that personal and accurate knowledge of the bank's clientage which we have urged so strongly.

Nothing can prevent losses. Sooner or later they are sure to come. Facing this fact at the beginning, and taking the bull by the horns rather than the tail, it is often well, when there are embarrassments in a certain quarter, to compromise, if possible, at once, taking the loss, whatever it may be, thus avoiding the publicity of a law-suit and of an unpleasant advertisement among the list of creditors. This method, at any rate, gives one the feeling of going ahead and discounting disaster, rather than of being overtaken by it.

If the plan which has been outlined imposes great labor and incessant observation, let us not forget that eternal vigilance is the price of safety. Only by constant attention to these minute details, joined to a natural aptitude, can a man learn to read the signs of the financial sky.

A systematic gathering by every member of the bank's staff of every fact and bit of relevant information, the recording of these facts so that they shall be instantly available, their constant confirmation and revision—some plan which will insure these results, is indispensable.

But when this has been done, and all the materials for forming a correct judgment are at hand, only the true credit man will be able to read the figures correctly, and discern the facts which lie behind them.

Such a man will judge people as much by what they do not say as by what they do. He will know when to break the smooth succession of constantly renewed notes. He will read men's faces as well as their figures, though both may deceive him at times. Steering his ship over treacherous financial seas, he will remember that storms are not necessarily dangerous, and that sunshine does not always mean security. In short, he will bring to iron-clad methods that knowledge of men and markets, that true instinct of the dollar, without which any system or credit department will be of but little avail. BANK LOCK.

FAILURE OF THE CITY SAVINGS BANK OF DETROIT.

A REVIEW OF THE LEGAL POINTS INVOLVED.

Rarely has the failure of a bank in the State of Michigan, or even in the Northwest, created so much interest throughout the country, and particularly in the sections mentioned, as did that of the City Savings Bank of Detroit. The case was of peculiar interest because the downfall of the bank was directly attributable to the operations of a man who occupied a high place in public and political esteem, and who held one of the most important positions among the public officials of the city of Detroit. This man, Frank C. Andrews, was held up by newspapers, promoters and magazines as a modern type of a man, who through his genius for financial operations had, in an incredibly short time, achieved the most wonderful success, and had placed himself on almost the top rung of the ladder, financially and politically, in the city of Detroit. However, on February 10, 1902, the bubble which had deceived so many was pricked, and as the whole fabric collapsed the true nature of the man's success came to light. His operations consisted of wild and daring speculations with immense sums of money, and these sums of money, as it has come out, belonged entirely to the depositors of the City Savings Bank. At the time of the failure of the institution the bank boasted of a set of officers whose names had heretofore been beyond reproach. Of these officers, Frank C. Andrews was the Vice-President, and one H. R. Andrews was the Cashier. For two years prior to the failure of the bank, Frank C. Andrews had begun to speculate with its funds. Checks were drawn, overdrafts were made, loans were negotiated in immense sums of money by Andrews, by and with the consent of the Cashier, upon almost worthless security; and in order to hide the condition of the bank and the manner in which its affairs were being conducted, the books were continually doctored and falsified from day to day and from month to month, so that at the time of the failure of the bank they were nothing more than an accumulation of frauds. The Cashier was entirely dominated by the Vice-President. The board of directors and the President of the bank, who met daily concerning its affairs, placed entire confidence in the Cashier and his daily reports to them. The bank finally failed on February 10, 1902, and was closed by the Bank Commissioner for the State of Michigan. On investigation of the bank's affairs it became evident that there were $900,000 overdrafts made by Andrews for which very little or no security had been given. Of this amount $662,000 was in checks which the bank had certified, and with which Andrews had taken up securities that he had deposited with other institutions for loans. In all, Andrews owed the bank over $1,500,000.

Soon after the institution closed its doors a multitude of questions began to present themselves involving a number of phases of the law in which the Supreme Court of the State of Michigan had as yet no experience. These questions were concerning offsets of deposits, liability of the bank for its savings deposits, the nature of the commercial deposits, the liability of the directors and officers, and the legality of the certified checks which had been falsely issued. Of these questions, the two most important were those concerning the offset of commercial deposits and outstanding notes, and the question concerning the extent of the protection to be given to the savings department funds.

First I will take up the question in regard to the offset of deposits. At the time of the failure of the bank one Frank M. Thompson had to his credit upon the books of the institution a deposit amounting to the sum of $2,458.43, subject to check. On August 12, 1901, Thompson had given the bank a note due in six months from date for a loan of $3,021, and another note dated January 17, 1902, due in four months after date for $910, making a total of $3,931. This amount exceeded the amount of his deposits by $1,472.57. About a week following the bank's failure Thompson demanded from the Receiver that the above notes be made to apply upon the deposits due him, and that upon the payment by him of the balance due that said notes be surrendered to him. This the Receiver refused to do, and upon the circuit judge's order that a setoff be made, the Receiver appealed to the Supreme Court for the State of Michigan. The question therefore involved is, may a depositor set off deposits to his credit, when the bank closes its doors, against his notes not due at the time of the failure. The Receiver contended that the notes due the bank were separate and individual obligations upon negotiable paper, and that the bank was entitled to demand the full amount of their face value as soon as they were due. He further maintained that depositors must all be considered equally, and that no one could be preferred over another, alleging that should a depositor be permitted to offset his notes against his deposit, he would be getting full value of the amount of his deposits and thereby obtaining a preference over those who were not so fortunate as to have borrowed money from the bank.

There was very little question in this case that had the notes of Mr. Thompson become due before the failure of the bank that then there would be a mutual obligation between the bank and Thompson, and that because of that mutual obligation the amount could be set off; but the question of the case which the Receiver considered important was, that the notes had not yet become due, and that therefore at the time of the bank's suspension there was no mutual obligation.

The supreme court in reviewing the question cited numerous decisions from the Federal courts and of other States, in which it had been held that whether the notes were or were not due at the time of the insolvency of the bank they were nevertheless obligations, and any one having a deposit at the bank had the benefit of a counter obligation, and that therefore the obligations being mutual the accounts were mutual and could be set off one against the other. This case affected many persons who had deposits at the bank and at the same time owed the bank money on notes, and relieved a great many smaller concerns whose financial standing would have been seriously affected by even a partial loss of their deposits. The decision was a very satisfactory one and occasioned no hardships, and is regarded as a very legal and just adjudication.

The second question is that concerning the deposits of the savings department. Under the laws of the State of Michigan the fund of the savings department is directed to be invested in a certain manner, and it was claimed that in connection with the failure of this bank that these are trust funds and dare not be applied in any other manner than that directed by the statute, and that therefore the savings depositors were entitled to a distribution of the savings fund without reference to the loss occasioned by the commercial side of the bank. In other words, the savings department, they claimed, should be separate and distinct from the commercial department, and they demanded that distribution of the assets be made upon that basis. A consideration of this subject is reserved for a future issue of the Magazine.

E. T. Berger.

STATE BANKERS' ASSOCIATIONS.

REPORTS OF RECENT CONVENTIONS.

COLORADO BANKERS' ASSOCIATION.

The first annual convention of the Colorado Bankers' Association was held at the Antlers Hotel, Colorado Springs, August 7 and 8. J. A. Hayes, President of the First National Bank, Colorado Springs, presided. Mayor J. R. Robinson made the address of welcome, and G. H. Williams, President of the Mercantile National Bank, Pueblo, responded on behalf of the bankers.

President Hayes spoke of the progress of banking in recent years and called attention to the great wealth of resources possessed by the State of Colorado. He pointed out the benefits to be derived from an organization of the bankers, and urged every bank in the State to become a member of the association.

Most of the work of the first day's session was devoted to the appointment of committees to perfect the organization of the association. A. G. Sharp, Cashier of the National Exchange Bank, Colorado Springs, read his report as secretary. It showed a present membership of seventy-five. There are only about 175 banks in the State, and the association has just been organized.

At the second day's session an interesting address was made by J. A. Thatcher, President of the Denver National Bank.

On stepping to the platform, Mr. Thatcher received a flattering reception. After expressing his thanks to the delegates for the warmth of his welcome, he spoke on the three cardinal principles necessary to becoming a successful banker. "Courtesy, integrity and stability," said Mr. Thatcher, "are absolutely the three chief qualities necessary to the building up of a bank, particularly courtesy, for polite treatment of all is an essential factor to success." In support of this statement Mr. Thatcher quoted President George G. Williams, of the Chemical National Bank of New York city as follows:

"No institution is too important to ignore the law of courtesy. If I could speak twenty languages I would preach politeness in them all. I speak in praise of politeness out of an experience of fifty-nine years in the banking business."

Referring to the second quality necessary to the successful administration of financial affairs, Mr. Thatcher stated that decision as well as politeness in dealing with men added greatly to the banker's influence in matters of finance. Integrity he considered the virtue above all others requisite for success in life. "Possessing that," said the speaker, "a man will be free from all bias or corrupting influences. He will never lend his support to questionable transactions nor will he countenance any schemes or corrupt organization, simply because he is himself interested."

Following Mr. Thatcher the secretary read the address of W. H. McClure upon the "Savings Bank and its Advantages." Mr. McClure dwelt chiefly upon the great advantage the savings institutions were to the poorer classes of the land, giving the wage-earner the opportunity to save in small sums, which eventually resulted in his owning his own home.

At the conclusion of the reading of the paper President Hayes called for short

discussions of the address. A number of gentlemen responded to the call, among whom was Ex-Gov. Alva Adams, President of the Pueblo Savings Bank. He stated that he was in favor of the establishment by the Government of a National Savings bank. Referring to Colorado Mr. Adams said: "The Savings bank has been practically a failure in this State, due in a measure to extravagance in managment, and occasional dishonesty on the part of the officers. As a result more than half the currency of the country is now hidden in stockings and private recesses."

Hon. Charles G. Dawes, ex-Comptroller of the Currency, and President of the Central Trust Company of Illinois, Chicago, spoke in opposition to asset currency and branch banks. He thought that with the present available supply of bonds there was no pressing necessity for a credit currency. In reference to branch banks he drew comparisons between the American and European systems and their development. He said that Europe had built from the top down, with its centralized systems, while the United States had built from the bottom up "and in this great system of ours of 15,000 differentiated banking units we have that which is developing to the utmost the great resources of our country, and we cannot afford at this time as a measure of national economy and of national policy to cut off the opportunity of the small man who seeks his small loan to develop his small resources, out of which he can, in time, help build up these great industries, which are commencing to take the trade and commerce of the world." He also called attention to the fact that the growth and extent of our banking power made a most favorable showing compared with countries having the branch banking system.

After Mr. Dawes concluded his address he was extended a vote of thanks, and the convention voted against branch banks and asset currency.

Delegates to the convention of the American Bankers' Association were elected as follows: A. G. Sharp, Cashier National Exchange Bank, Colorado Springs; F. B. Gibson, Vice-President International Trust Co., Denver.

The new officers elected are: President, C. B. Kountze, President Colorado National Bank, Denver; vice-president, M. D. Thatcher, President First National Bank, Pueblo; secretary and treasurer, Fred. G. Moffat, Assistant Cashier First National Bank, Denver; executive committee, Joseph A. Thatcher, President Denver National Bank; J. A. Hayes, President First National Bank, Colorado Springs; F. H. Stickney, President Farmers' National Bank, Longmont; J. M. B. Petrikin, Cashier First National Bank, Greeley; F. B. Gibson, Vice-President International Trust Co., Denver, and H. K. Holloway, Cashier Trinidad National Bank, Trinidad.

On the evening of the last day's meeting a banquet was given to the delegates to the convention by the members of the Colorado Springs Clearing-House Association.

Next year's convention will be held at Denver.

WISCONSIN BANKERS' ASSOCIATION.

The eighth annual convention of the Wisconsin Bankers' Association met at the Plankinton House, Milwaukee, at half-past ten o'clock, A. M., August 13.

Annual Address of President Henry D. Smith.

Henry D. Smith, President of the First National Bank, Appleton, presided, and in his annual address said:

"It affords me great pleasure to greet you on the opening of this, the eighth convention of our association. Owing to the meeting of the American Bankers' Association in this city last year, your executive council decided not to hold a meeting. After the lapse of two years we can mutually felicitate ourselves that we meet at a time of the most unexampled prosperity in the history of our State. Its improvement is best shown by a comparison of the condition of the banks of the State to-day with that of two years ago. The individual deposits of the State, private and Savings banks as shown by the published reports are $71,185,000,

and of the National banks $75,649,000, a net increase in two years of twenty-seven per cent.; this shows that the people have on deposit in the banks of Wisconsin twenty-seven per cent. more money than they had two years ago. It bespeaks a wonderful growth and development of our agricultural, industrial and commercial resources. This increase in wealth has been shared by all sections of our State and by all classes.

SATISFIED WITH EXISTING LAWS.

This growth and development have come largely since the establishment of our present National banking system, but we are now told that this system is wholly inadequate to care for the interests which have been created, fostered and developed under it, and that it must be replaced by a continental system with large central banks with numerous branches. A measure proposed as an amendment to our present banking law, yet so radical in its nature as to work an entire change in our present system. It has been characterized as un-American, and that it is not in harmony with the spirit, thought and character of our people. When we view this rapid growth in wealth and real prosperity it would seem that the provisions of the Fowler bill creating a banking monopoly were entirely uncalled for. We seldom suffer from the lack of legislation; we are a nation of legislators and laws are too easily made. We are always long on laws. Our National banks have been tried in times of depression, in commercial and stock panics, and proved that they were worthy of the confidence placed in them. Will they not prove equally good and beneficial in times of prosperity? Is it a wise policy to transfer the entire management of our finances to central banks? In what condition would the country banks find themselves if the central banks, banks in speculative centers, were given any firmer grasp on the money, than the New York city banks had during the last panic?

POPULAR ANTIPATHY TO TRUSTS.

The dazzling stories of wealth acquired by huge syndicates conducting plans of consolidation of various enterprises have carried the spirit of speculation into all parts of the country. Any attempt at this time to establish a system of banking which has the semblance of a monopoly would deepen the sense of injustice in the minds of the people which some of the trusts have created.

It is claimed that more money is needed to move the crops of the Northwest. No panic has ever resulted in the Northwest from this cause. The farmers to-day are moving their own crops, not with ox teams, but by train loads with their own money deposited in the banks. It may cause a stringency in reserve cities when country balances are drawn down, and if during a period of active speculation and undue inflation of values in stocks, we would at once hear a cry for more currency, not from the country, but from speculative centers to enable them to sustain inflated values. The farmer has paid off his mortgage; the Western banker is no longer a borrower.

GOLD SUPPLY TO INCREASE.

The close of the Boer war will result in an increased production of gold in South Africa, and with a large increase in the production in our own country, which is already assured, will prove factors in our currency supply. Europe will come to purchase gold in this country and the drain of the yellow metal will lessen very materially and gold will only be exported as required to adjust balances, which are not likely to be large. We are on the eve of the greatest gold-producing era the world has ever known. The amount of capital invested in gold mining has doubled in the last five years, and we are justified in anticipating such an increased supply as will advance the value of all commodities.

THE LABOR AND CAPITAL QUESTION.

Labor organizations are akin to trusts and combinations of capital, having equal rights in equity and under the law. The co-operation of capital and labor has not reached a practical stage. Great changes are taking place; changes in methods of manufacture. The application of electricity, and the wonderful mechanical inventions of this generation stand as a glorious tribute to the genius of the age. This electrical energy has permeated all paths of human endeavor and is making changes in our commercial and social as well as in our industrial life. Society must adapt itself to these changed conditions. To conciliate the warring elements to harmonize the differences between employers and laborers will be the burden and duty of this generation. A spirit of mutual service and welfare must prevail."

Secretary Charles E. Arnold's annual report showed a membership of 182, compared with 180 in August, 1900. There was no convention in 1901 on account of the meeting of the American Bankers' Association at Milwaukee, and the membership declined to 149, but is now at the highest point ever reached.

Treasurer George H. Utz, of Menasha, reported the association to be in good financial condition, the balance on hand at present being $1,888.75. The receipts during the past year have been $2,500 and the expenses $691.24.

At the afternoon session addresses were made by the following bankers: Charles F. P. Pullen, Cashier German-American Bank, Milwaukee; John Campbell, Assistant Cashier Marshall & Ilsley Bank, Milwaukee; T. R. Frentz, Cashier German-American Bank, Oshkosh; John Schuette, President Manitowoc Savings Bank, Manitowoc; J. Luchsinger, Vice-President Citizens' Bank, Monroe; Joseph Chapman, Jr., Assistant Cashier Northwestern National Bank, Minneapolis.

A letter submitted by N. B. Van Slyke, President of the First National Bank, Madison, contained the following criticisms of the Fowler bill:

"Aside from the complications, to many it appears objectionable.

First, because it, unlike our present system, creates a bank currency, without the desirable uniformity of security for the issues. Now we know that every National bank note has exactly the same guarantee for its redemption.

Second, it destroys the present convenient feature of having—outside its own counter—but one place of redemption of all notes, wherever the issuing bank is located.

Third, the 'elasticity,' upon which so much stress has been laid, can be given if banks were permitted to increase or diminish their circulation by depositing or withdrawing their Government bonds as the need of currency from time to time might require. And, fourth, as for 'equalizing the rates of interest throughout the country' by legislation, one might as well expect to borrow money at the same rate of interest in a new country where but little is in circulation as in the great moneyed centers, or to obtain the same price for articles where plenty as where scarce.

The natural laws of trade, not legislation, will govern this, as it always has, will and should, whatever obstacles legislators may place in the way to restrict. As the tree naturally turns its roots toward moisture needed, so money seeks points where most needed and commands the better rate; this process goes on till the demand is 'equalized' by the supply—not by legislation."

The Resolutions Adopted.

The resolutions adopted by the delegates are as follows:

"The Wisconsin Bankers' Association congratulates the people of the State and nation upon the continued and unexampled prosperity of the country. We believe this is largely attributable to the excellence of our financial system, the stability of our financial institutions and the unequivocal adoption of the gold standard and the practical abandonment of the contention for a change to a silver basis. All our money is readily convertible into and is worth its face in gold. Our currency is ample to supply our financial needs and is obtainable at rates of interest lower than ever before. Our system is a growth. Commencing in the dark days of the Rebellion, it has been modified and conformed to the changing wants of the country during a period of wonderful development and growth. Further modifications and changes will doubtless be necessary in the future. These should be made in a conservative spirit, and only when their wisdom is apparent and the necessity obvious. We are opposed to radical changes based upon new and untried theories, as unnecessary and fraught with danger.

Resolved, That we are opposed to the Fowler bill, and all legislation tending to the substitution of branch banks for our present independent system of banking, and our representatives in Congress are urged to oppose such proposed legislation.

Resolved, That we are opposed to any law tending toward the substitution of asset currency for the present National bank circulation.

Resolved, That the banking laws of the State of Wisconsin should be revised and adapted to the present needs of the State.

Resolved, That the taxation of banking houses used by banks in their business, in addition to the taxation of their full capital stock, is clearly double taxation and unjust.

Resolved, That the thanks of the association be extended to the banks and bankers of Milwaukee for their generous hospitality extended to us anew at this convention."

The New Officers Elected.

After the adoption of the resolutions the following officers were chosen:

President—George L. Field, First National Bank, Ripon.

Vice-President—George N. Fratt, First National Bank, Racine.

Secretary—John Campbell, Marshall & Ilsley Bank, Milwaukee.

Treasurer—H. J. Brown, Stephenson National Bank, Marinette.

Executive Committee—Two years: A. W. Greenwood, Greenwood's State Bank, Lake Mills; J. J. Sherman, Citizens' National Bank, Appleton; W. B. Banks, First National Bank, West Superior. Three years: P. A. Orton, First National Bank, Darlington; George Heller, German Bank, Sheboygan; E. M. Wing, Batavian Bank, La Crosse.

Vice-presidents by congressional districts:

First—J. F. Latimer, E. Latimer & Co., Delavan.

Second—Halle Steensland, Savings, Loan and Trust Company, Madison.

Third—E. M. Pease, State Bank, Richland Center.

Sixth—L. D. Hinkley, First National Bank, Waupun.

Seventh—W. G. Williams, Monroe County Bank, Sparta.

Eighth—C. H. Krippene, German National Bank, Oshkosh.

Ninth—W. E. Kellogg, Kellogg National Bank, Green Bay.

Tenth—F. W. Humphrey, First National Bank, Shawano.

Eleventh—L. M. Newman, First National Bank, Chippewa Falls.

After the business of the convention was finished there was a banquet at the Plankinton House, John Johnston, Vice-President of the Marine National Bank, acting as toastmaster.

New York: The Metropolis.—This is the title of a sumptuous volume descriptive of the American metropolis, just published by Mr. Geo. W. Engelhardt under the supervision of the Merchants' Association of New York. It is a noteworthy business book, of great utility, beauty and interest.

The work treats of New York's commerce and trade, and its motive is the promotion of New York's business interests. As an example of fine book-making the volume leaves nothing to be desired. The book is a large folio with 284 pages; the paper heavy, highly surfaced and of the best quality, and the typography and presswork represent the best efforts of the famous De Vinne Press, by which the book was made. The binding is full morocco with gold stamps.

These perfections of detail give full effect to the 1,200 illustrations which embellish the book, and which are its distinguishing feature. They depict the distinctive aspects of the metropolis, its picturesque views, characteristic scenes, and notable architecture; its parks, monuments, statues, shipping, harbor, public buildings, theatres, hotels, pleasure resorts; together with many portraits, and views illustrative of the city's business activities. Many of the illustrations are from original drawings made for this book by well-known illustrators. As a whole this is the most comprehensive and interesting series of views of this or any other city of the world that has ever been collected. Even to those who are familiar with the city and its wonderful growth in recent years, these illustrations will prove a surprising revelation of New York's material greatness.

The letter press is devoted mainly to the business of the city, prefaced, however, by a brief summary of the city's general features most attractive to visitors. New York is at last awakening to the great value of parks, works of art and other forms of municipal embellishment, and the attractiveness of the city is increasing year by year.

Another section of the book treats briefly of the City Government and public institutions. The distinctively business sections are those on railroad transportation, transportation by sea, the Wall Street district, other financial interests, real estate and building, and numerous other subdivisions relating to special branches of trade and commerce. Under these various heads is collated a vast amount of information of the kind most useful to business visitors to the city, and for which constant inquiry is made by them. To supply this information was one of the main purposes of the book. For that reason the Merchants' Association conceived the idea that has been so admirably carried out by Mr. Engelhardt under the supervision of a committee of the Association.

SAVINGS BANKS IN THE STATE OF NEW YORK.—Statement of their condition by counties July 1, 1902. Compiled from the official reports.

COUNTY.	No. of Banks.	Total Resources.	Due Depositors.	Other Liabilities.	Surplus on market value of stocks and bonds.	Open Accounts.	Accts. opened and reopened year ending June 30.	Accounts closed year ending June 30, 1902.	Deposits during year ending June 30, 1902, not including interest.	Amount withdrawn during year ending June 30, 1902.	Amount of interest credited and paid for year ending June 30, 1902.	Salaries and expenses for six months.
Albany	9	$63,433,914	$58,278,456	$88,153	$5,067,303	88,914	15,806	13,470	$13,720,716	$14,642,746	$1,919,184	$73,522
Broome	2	3,879,200	3,660,092	....	219,108	14,891	3,583	2,736	1,876,224	1,685,645	98,356	9,146
Cayuga	2	7,080,530	6,434,113	....	646,417	18,725	3,604	2,873	2,779,597	2,581,460	203,362	12,044
Chemung	1	200,569	198,407	....	2,161	1,057	557	409	143,927	124,291	5,402	675
Columbia	1	3,673,186	3,317,406	....	355,780	8,110	1,562	1,269	928,070	811,844	105,431	4,273
Cortland	1	2,337,519	2,224,413	....	113,105	7,859	1,862	1,463	965,142	811,137	67,631	3,645
Dutchess	7	16,080,964	14,746,865	18,798	1,315,301	32,168	4,028	2,845	2,770,562	3,018,713	518,340	16,445
Erie	3	61,774,295	55,723,987	....	6,050,308	109,538	28,120	22,047	20,890,203	16,770,634	1,756,926	90,047
Greene	1	2,343,576	2,113,348	....	230,228	5,215	922	677	603,598	509,753	67,308	2,379
Jefferson	2	6,196,460	5,794,207	....	402,252	20,305	4,253	2,361	2,307,587	1,853,203	184,365	9,452
Kings	16	185,419,149	163,554,995	62,689	21,801,464	360,825	66,206	51,290	44 274,341	41,512,778	5,171,151	210,923
Madison	1	1,577,315	1,429,998	9,134	138,182	5,098	1,089	912	499,179	446,578	44,219	2,528
Monroe	4	43,298,472	38,889,049	138,961	4,270,461	87,463	17,904	14,238	10,503,030	11,467,432	1,353,771	78,217
Montgomery	1	2,376,760	2,256,187	120	120,452	7,993	1,969	1,462	1,040,405	838,805	65,790	3,400
Nassau	1	839,630	785,624	....	54,005	1,879	326	166	239,829	150,452	27,004	690
New York	27	630,011,372	567,677,889	25,423	62,308,059	1,129,155	227,605	172,016	147,242,389	127,117,971	18,517,996	651,506
Niagara	2	3,048,837	2,816,553	....	232,283	7,899	2,345	2,134	1,576,922	1,656,783	89,267	6,716
Oneida	3	15,162,169	13,239,627	5,302	1,917,238	35,390	6,986	5,017	3,691,624	2,966,682	416,888	22,024
Onondaga	3	32,787,190	30,196,556	24,381	2,566,251	70,645	13,400	11,231	10,198,765	9,711,664	985,145	54,706
Orange	6	14,021,318	12,501,531	....	1,519,786	31,561	4,142	3,191	2,520,023	2,375,450	439,682	16,403
Oswego	3	5,180,053	4,784,336	384	395,331	13,167	3,462	2,778	2,129,910	1,972,711	154,255	11,594
Putnam	1	431,625	390,232	....	41,393	1,479	294	234	83,908	82,510	12,474	918
Queens	4	7,294,838	6,658,356	....	636,481	22,965	6,109	4,035	2,901,120	2,180,817	210,627	14,292
Rensselaer	1	10,866,947	9,515,477	78,074	1,273,394	21,764	4,235	3,313	2,429,712	2,159,188	304,779	12,064
Richmond	2	2,615,059	2,406,348	....	208,711	9,365	2,112	1,258	1,183,139	931,110	71,779	8,618
Schenectady	1	3,793,719	3,603,636	....	190,082	13,372	4,569	2,998	2,124,501	1,864,364	99,231	4,460
Seneca	1	400,051	371,651	....	28,399	2,032	539	376	168,004	166,944	10,043	1,084
Suffolk	4	8,658,752	7,743,407	....	915,344	15,877	2,014	1,274	1,730,597	1,403,938	280,545	12,676
Tompkins	1	2,307,019	2,041,994	....	265,024	7,759	2,033	1,610	965,256	844,875	56,644	5,141
Ulster	6	10,113,157	9,349,316	1,973	761,867	24,005	3,713	2,873	2,300,289	1,998,250	299,346	17,613
Westchester	10	20,479,680	18,985,111	194	1,494,374	53,186	9,765	6,646	6,051,799	4,966,081	652,564	68,008
Totals, July 1, 1902	127	1,167,683,337	1,051,689,186	$453,590	$115,540,560	2,229,661	445,114	339,202	$290,840,880	$259,674,822	$34,189,610	$1,425,283

CONDITION OF THE NATIONAL BANKS.

Abstract of reports of condition of National banks in the United States on February 25, April 30 and July 16, 1902. Total number of banks: February 25, 4,357; April 30, 4,423; July 16, 4,535.

RESOURCES.	*Feb. 25, 1902.*	*Apr. 30, 1902.*	*July 16, 1902.*
Loans and discounts	$3,128,627,094	$3,172,757,485	$3,221,859,631
Overdrafts	32,314,886	27,211,618	24,657,222
U. S. bonds to secure circulation	320,978,280	316,271,180	316,138,980
U. S. bonds to secure U. S. deposits	114,055,360	120,561,030	124,406,250
U. S. bonds on hand	10,082,240	7,716,980	7,846,350
Premiums on U. S. bonds	10,739,048	11,012,091	11,529,454
Stocks, securities, etc	458,744,961	467,403,724	484,956,796
Banking house, furniture and fixtures	87,888,087	89,915,881	91,364,988
Other real estate and mortgages owned	22,244,924	22,685,159	21,964,808
Due from National banks	265,712,742	260,842,095	266,665,842
Due from State banks and bankers	78,982,612	78,546,740	80,861,315
Due from approved reserve agents	490,306,538	467,417,747	471,696,390
Internal-revenue stamps	472,071	416,220	358,606
Checks and other cash items	20,437,030	26,238,728	22,305,546
Exchanges for clearing-house	196,618,118	290,651,830	247,113,366
Bills of other National banks	23,488,765	24,919,204	26,171,308
Fractional currency, nickels and cents	1,475,984	1,490,359	1,498,345
Specie	407,082,162	398,760,561	404,763,968
Legal-tender notes	154,682,692	159,484,226	164,854,292
Five per cent. redemption fund	15,627,825	15,244,888	15,375,536
Due from Treasurer U. S.	2,550,317	2,590,240	2,814,029
Total	$5,843,048,720	$5,962,185,451	$6,008,754,975
LIABILITIES.			
Capital stock paid in	$667,881,231	$671,176,312	$701,990,554
Surplus fund	294,951,786	298,597,508	325,524,915
Undivided profits, less expenses and taxes	154,653,757	162,888,086	156,852,527
National bank notes outstanding	314,438,680	309,781,739	309,386,599
State bank notes outstanding	51,874	51,874	42,781
Due to other National banks	685,966,644	658,518,344	626,954,587
Due to State banks and bankers	311,256,012	291,394,304	310,196,963
Due to trust companies and Savings banks	251,208,289	266,616,780	271,905,850
Due to approved reserve agents	30,507,368	32,192,844	33,842,229
Dividends unpaid	1,016,329	1,887,508	2,316,283
Individual deposits	2,982,489,300	3,111,690,195	3,098,875,772
U. S. deposits	105,940,827	118,554,961	118,238,798
Deposits of U. S. disbursing officers	6,355,690	6,549,881	5,727,327
Notes and bills rediscounted	4,819,674	5,377,544	6,746,396
Bills payable	10,384,662	9,955,530	15,993,174
Liabilities other than those above	21,626,588	22,402,065	24,210,215
Total	$5,843,048,720	$5,962,185,451	$6,008,754,975

Changes in the principal items of resources and liabilities of National banks as shown by the returns on April 30, 1902, as compared with the returns on Feb. 25, 1902, and Apri 24, 1901:

ITEMS.	SINCE APRIL 30, 1902.		SINCE JULY 15, 1901.	
	Increase.	*Decrease.*	*Increase.*	*Decrease.*
Loans and discounts	$49,102,145	....	$264,953,255	....
U. S. bonds	3,894,390	....	6,764,060	....
Due from National banks, State banks and bankers and reserve agents	11,916,965	....	29,496,511	....
Specie	6,003,407	....	33,678,425	....
Legal tenders	5,370,065	....	....	$75,332
Capital stock	30,810,242	....	56,271,455	....
Surplus and other profits	21,391,847	....	65,637,624	....
Circulation	....	$455,140	....	9,673,212
Due to National and State banks and bankers	....	5,822,592	36,083,238	....
Individual deposits	....	12,814,418	157,038,343	....
United States Government deposits	3,861,263	....	24,893,858	....
Bills payable and rediscounts	7,406,495	....	5,088,294	....
Total resources	46,619,523	....	332,844,932	....

BANKING AND FINANCIAL NEWS.

This Department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—The new Thirty-fourth Street National Bank recently filed its articles of association and organization certificate with the Comptroller of the Currency. When the bank begins business, which will be about October 1, the capital will be $200,000 and the surplus $200,000. As the applications for stock have greatly exceeded the present capital, it is probable that the capital will be increased in the near future.

Following are the directors named in the articles of association: William W. Goodrich, Presiding Justice of the Supreme Court, Second Department; Charles I. Hudson, of C. I. Hudson & Co., bankers; Udo M. Fleischmann, of the family of yeast manufacturers: James H. Ottley, President of the McCall Company; William Lummis, capitalist; Henry W. Sackett, of the law firm of Sackett & McQuaid; Dr. John P. Munn, President of the United States Life Insurance Company; William Watson Caswell, of Lincoln, Caswell & Co., bankers and brokers; Bradford Rhodes, President; J. Edgar Leaycraft, real estate—member New York State Tax Commission; Rudolph M. Haan, proprietor new Hotel St. Regis; Charles Hill Willson, of Willson, Adams & Co., lumber; Timothy J. Martin, president of Davis Collamore & Co., china and glass importers; Thomas B. Clarke, art dealer; James Hutchinson, merchant; William Seaich, carriages and express transfer, and Daniel Smiley, proprietor Mohonk Lake Mountain House.

At a meeting of the board of directors, held at the Waldorf-Astoria on September 2, Bradford Rhodes was elected President.

Mr. Rhodes is widely known as the Editor and publisher of THE BANKERS' MAGAZINE. He served in the New York Legislature for three successive terms from Westchester county, and was chairman of the banking committee during each of his years in Albany. For a number of years he has been President of the First National Bank, of Mamaroneck, and the Union Savings Bank of Westchester County. Both of these banks have been remarkably successful under his management. In accepting the Presidency, Mr. Rhodes signified his intention to devote his future energies to the promotion of the interests of the Thirty-fourth Street National Bank.

Col. Henry W. Sackett, of the well-known law firm of Sackett & McQuaid, has been elected counsel of the bank. The other officers will be announced later.

The bank has purchased the building and lot No. 41 West Thirty-fourth street. This property will be remodelled and put in shape for banking purposes. In the meantime the new bank will be located in another building in the same block.

—The Consolidated National Bank, of which former Bank Superintendent Willis S. Paine is President, has elected the following directors: Amzi L. Barker, Lyman G. Bloomingdale and James G. Newcomb.

—There is to be an increase in the capital of the Central Realty Bond and Trust Co. from $1,000,000 to $2,000,000, and the surplus will be increased from $3,000,000 to $8,000,000.

—The wealth of the New York banks is shown by a statement of the capital, surplus and undivided profits of the various institutions as recorded in the books of the Department of Taxes and Assessments for taxation.

During the year 1901 the sum of $1,830,128.10 was collected on a total of capital, surplus and undivided profits of $183,012,810.14. The assessments on the same basis this year amount to $201,344,237.16, on which the city will collect a tax of one per cent. or $2,013,442.37.

In speaking about the increased wealth of the banks an official of the Department of Taxes stated that the National City Bank had increased its capital from $10,000,000 to $25,000,000 subsequent to the date on which the assessments for this year could be levied, so that there has been an increase this year of $33,321,427.02 in the assessable wealth of New York banks.

—The Guardian Trust Company has opened for business at 170 Broadway. Its capital and surplus of $1,000,000 will be increased to $2,000,000 on September 15. It will do a general banking and trust business. Ex-Comptroller Bird S. Coler is President of the company. The Vice-

Presidents are R. Ross Appleton, Ernest C. Brown and George W. Fairchild. Herbert H. Swasey is the Secretary, and Lathrop C. Haynes, Assistant Secretary.

—August Belmont, Richard Delafield, Stuyvesant Fish, Gilbert G. Thorne, Cornelius Vanderbilt and Geo. Victor, have been elected additional directors of the Yorkville Bank. The new directors represent the National Park Bank's interest in the Yorkville Bank.

—Upon request of Messrs. J. P. Morgan & Co., August Belmont & Co., Baring, Magoun & Co. and the National City Bank, securities of the Russian Empire amounting to 2,310,000,000 rubles ($1,188,495,000) were recently listed on the New York Stock Exchange. The securities bear four per cent. and are payable at the option of the Government.

—Henry E. Wilson has been elected President of the new Lincoln Trust Co. and Frank Tilford, Vice-President.

—Woodward Babcock has been elected Assistant Secretary of the Trust Company of the Republic.

—The International Bank and Trust Company, capital $10,000,000, has been formed by a consolidation of the Mexican Trust Company Bank and the Corporation Trust Company, to do a general banking business in South and Central America.

NEW ENGLAND STATES.

Condition of Rhode Island Banks.—The condition of the banking institutions of Rhode Island is summarized in the report of State Auditor Charles C. Gray, recently completed. Interesting figures have been collected from reports of the various institutions which are made under date of June 30.

Thirteen trust companies, two of which are in liquidation, filed returns. This is two more than last year. The new accessions are the New England Trust Company of Providence and the Newport Trust Company of Newport. The aggregate resources of the trust companies amounted on June 30 to $70,026,334. The aggregate liabilities were $65,108,304 and the surplus and profits $4,918,029. Last year the aggregate resources of the eleven trust companies were $58,283,206, so that the increase this year is $11,743,128, more than twenty per cent.

The increase in deposits over last year is $12,501,281. It is probable that the principal factor in showing such a large gain in the deposits is the process of consolidation being carried on by some of the larger trust companies, whereby Savings banks, institutions for savings and National banks have liquidated or have become trust companies.

That this is true in the case of Savings banks and institutions for savings is evidenced by the fact that their aggregate deposits show a decrease from $74,846,759 in 1900 to $75,528,508 on June 30 last, a decrease of $1,318,250 within the last two years.

The whole number of depositors in the trust companies is 36,893 and the aggregate amount of deposits is $57,788,574.11. The average dividends paid to depositors was 3.91+ per cent., a slight decrease from those paid during the previous year.

The number of Savings banks and institutions for savings remains the same, thirty-four. Of these nine are in process of liquidation. The aggregate resources of these institutions again show a decrease from figures of the previous year. On June 29, 1901, their resources aggregated $78,529,180, while the aggregate at the corresponding period this year is $77,818,065, a decrease of $711,115.

The majority are very prosperous and show substantial gains from year to year. It must be remembered that the averages combine the figures of those banks in process of liquidation, nearly one-third of the whole number.

Returns were received from five State banks, two of which are in process of liquidation.

MIDDLE STATES.

Scranton, Pa.—For some time close relations have existed between the County Savings Bank and Trust Company and the Title Guaranty and Trust Company, and the latter institution has purchased 546 shares of County Bank stock at $400 per share, and agreed to purchase any more that may be offered at the same price prior to October 1. The two institutions will be located in the same building. But the merger does not mean that either the bank or trust company will be discontinued; both will continue to do business as heretofore. A new building is being completed, and it will be equipped with the best safes, vaults and all modern banking facilities.

Philadelphia.—The Pennsylvania State Bankers' Association will hold its annual meeting in Horticultural Hall September 24 and 25.

—The Girard National Bank will move into its reconstructed edifice about November 1.

—The Colonial Trust Company will open a branch near Broad and Chestnut streets.

—The new building of the Commonwealth Trust Company at Twelfth and Chestnut streets, is about completed. The company expects to move to the new location early in October.

Maryland Bankers' Association.—The seventh annual convention of the Maryland Bankers' Association will be held at the Blue Mountain House September 18, 19 and 20.

New Rochelle, N. Y.—The City Bank here has increased its capital from $50,000 to $100,000.

Paterson, N. J.—A contract has been awarded for the new bank and office building which the First National Bank will erect on the site of the old building. The new structure will be constructed of granite and limestone, and will cost about $150,000.

SOUTHERN STATES.

Columbus, Ga.—The Third National Bank has issued a leaflet entitled "Banners and Banks." It sets forth that Muscogee county is the banner county in the matter of taxable values and tax rate, and that Columbus also is entitled to the banner for the same reason in comparison with other cities of the State.

The Third National reports $200,000 capital, $135,000 surplus and profits and $751,000 deposits.

Houston, Tex.—The Commercial National Bank has acquired land on which will be erected a handsome and substantial building for the use of the bank.

Galveston, Tex.—I. H. Kempner having bought for himself and others a controlling interest in the Island City Savings Bank, has been elected President of the bank to succeed R. Waverley Smith, resigned.

North Carolina Banks.—As shown by the reports made to the Corporation Commission on July 16, the aggregate resources of the State, private and Savings banks of North Carolina were $18,790,224.44, divided as follows: State banks, $14,477,908.02; private banks, $1,400,031.21; Savings banks, $2,932,285.21.

West Virginia Banks.—M. A. Kendall, Commissioner of Banking for West Virginia, has compiled reports from 112 State banks, at the close of business July 16, showing the following: Capital, $5,119.636; surplus, $1,743,438; undivided profits, $1,015,428; total deposits, $31,017,267; total resources, $40,405,163.

Alabama Bankers' Association.—This organization has not been active for a year or so, but a meeting was held at Blount Springs on August 11, and the outlook for activity in the future is good. President Geo. A. Searcy made an interesting address, and Secretary E. J. Buck's report showed an increasing degree of interest was being taken in the work of the association by the bankers of the State.

Gen. J. W. Whiting, President of the People's Bank, Mobile, was elected president; T. O. Smith, Cashier Birmingham Trust and Savings Bank, vice-president; E. J. Buck, Cashier City National Bank, Mobile, secretary and treasurer.

Next year's convention will be held at Birmingham.

Natchez, Miss.—The MAGAZINE has received an attractively illustrated pamphlet showing the advantages of the city of Natchez, Miss. It sets forth the manufacturing, transportation and commercial enterprises of Natchez and the productive capacities of the surrounding country.

Natchez now has a population of 15,000, and there are five banks with a total capital of $625,000 and deposits $3,000,000. Twenty wholesale houses handle a business of upwards of $15,000,000 annually and 90,000 bales of cotton are handled each year. There are two cotton mills and several other important manufactories.

Illustrations of a number of the old ante-bellum mansions are a pleasing feature of the pamphlet.

WESTERN STATES

Chicago.—The Drexel State Bank of Chicago is a new institution recently opened at Drexel and Oakwood boulevards with $200,000 capital. H. W. Mahan is President, Edward D. Stevens, Vice-President, and B. M. Kelly, Cashier. The directors are: W. T. Fenton, Vice-President National Bank of the Republic; A. W. Harris, director National Bank of North America; W. A. Tilden, Cashier Drovers' National Bank; E. D. Stevens, director Fort Dearborn National Bank; L. M. Schmidt, Oscar F. Schmidt and H. W. Mahan.

—On December 31, 1890, the total deposits of the State banks of this city were $35,753,000; on the same date in 1896 they were $36,963,000, and on July 16, 1902, they had grown to $207,208,000. This is certainly a remarkable gain—even for Chicago.

—John B. Mallers, who was the first President of the National Bank of the Republic, is interested with others in the organization of the new Imperial National Bank, capital $1,000,000.

Minneapolis, Minn.—Plans have been drawn for a new building for the Northwestern National Bank to cost $250,000.

Cincinnati, Ohio.—The First National Bank has secured an option on property at the southeast corner of Walnut and Fourth streets on which it will probably put up a large bank and office building. It is the intention of the bank to increase its capital from $1,200,000 to

$2,500,000, and there have been rumors that the First National, the National Lafayette and the Market National would be merged into a single institution. These reports are denied, however, by representatives of the banks concerned.

Indianapolis, Ind.—Several of the banks of this city, thinking the Marion county board of review had permitted them to be over-taxed, appealed to the State Board of Tax Commissioners for relief. They got it in the following form:

American National Bank, assessment increased from $259,000 to $283,500.
Capital National Bank, assessment increased from $278,390 to $318,000.
Columbia National Bank, assessment increased from $210,400 to $228,000.
Fletcher National Bank, assessment increased from $700,000 to $780,000.
Indiana National Bank, assessment increased from $910,000 to $1,020,000.
Merchants' National Bank, assessment increased from $901,460 to $1,010,000.

In the case of the St. Joseph County Savings Bank, it was ordered that the property be not assessed. This was a case where a board of review of a county attempted to tax the surplus of the bank invested in Government bonds. The State board decided that it could not be done, the bank being an incorporated one.

—Application was recently made to the Comptroller of the Currency to organize the Union National Bank here with $200,000 capital.

Denver, Colo.—The Continental National Bank began business July 28 with $300,000 capital. Delos A. Chappell is first Vice-President, Jno. W. Springer, second Vice-President, and H. J. Alexander, Cashier.

Bank Wrecker Sentenced.—On August 18 Frank C. Andrews, former Vice-President of the City Savings Bank, of Detroit, Mich., was sentenced to fifteen years' imprisonment for defrauding the bank.

St. Louis.—On August 11 the Mercantile Trust Company took possession of its fine new building at the northeast corner of Eighth and Locust streets. The new structure, which cost about $700,000, will be occupied by the company exclusively. It is one of the notable banking buildings of the West, and compares favorably with any in any part of the country.

PACIFIC SLOPE.

Seattle, Wash.—The Seattle Clearing-House Association held its annual meeting August 5 and elected M. F. Backus, President, and A. H. Soelberg, Secretary. E. W. Andrews, R. V. Ankeny and R. R. Spencer were named as the clearing-house committee.

The association adopted a resolution in favor of inviting the American Bankers' Association to hold its convention next year in Seattle. The clearing-house association will work in conjunction with a committee of the chamber of commerce in urging the claims of Seattle upon the next convention of the American Bankers' Association.

San Francisco.—The American Bank and Trust Company applied recently for authority to be converted into the American National Bank. W. B. Wightman, for some years local National bank examiner, has been elected Vice-President.

Wyoming State and Private Banks.—The reports of the State and private banks of Wyoming on July 16 showed that the deposits of the State banks were $1,029,549, and of the private banks $1,344,277.

Salt Lake City, Utah.—John E. Dooly, for twenty-six years Cashier of Wells, Fargo & Co.'s Bank here, has resigned and has been succeeded by F. L. Lipman, of the San Francisco office of the firm.

Failures, Suspensions and Liquidations.

Florida.—The St. Petersburg State Bank suspended August 9. Deposit liabilities are said to be about $40,000.

Indiana.—The Elnora Bank, which was started by P. Durham in April last, suspended August 23 and the proprietor is reported missing. It is said that he owes depositors about $10,000.

Kentucky.—The Logan County Bank, of Russellville, made an assignment on August 20. It had $51,000 capital and the deposits as shown by the July statement were $135,000.

Nebraska.—Chamberlain's Banking House, of Tecumseh, suspended August 30. The State Examiner reports apparent assets of $137,315, but of these he believes $110,651 to be worthless, leaving but $27,000 to pay claims of $71,617. The loss to depositors is $44,000, besides the losses to stockholders. The alleged manipulation of paper by Cashier Chamberlain has occurred, according to the Examiner, within the last few months. There is no trace of the missing Cashier. Branches of the bank at Graf and Vesta are also closed, but it is said depositors are secured.

Ohio.—The Conneaut Banking and Savings Co. went into liquidation August 8, transferring its accounts to another institution and making provision for the payment of depositors.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report. Names of officers and other particulars regarding these new National banks will be found under the different State headings.

National Banks Organized.

6356—First National Bank, Madisonville, Texas. Capital, $25,000.
6357—First National Bank, Clear Lake, South Dakota. Capital, $25,000.
6358—Farmers and Merchants' National Bank, Hobart, Oklahoma. Capital, $25,000.
6359—First National Bank, Atwood, Illinois. Capital, $25,000.
6360—First National Bank, Welsh, Louisiana. Capital, $25,000.
6361—First National Bank, Granger, Texas. Capital, $35,000.
6362—Orrville National Bank, Orrville, Ohio. Capital, $40,000.
6363—Citizens' National Bank, Raton, New Mexico. Capital, $50,000.
6364—Truman National Bank, Truman, Minnesota. Capital, $25,000.
6365—Madill National Bank, Madill, Indian Territory. Capital, $55,000.
6366—First National Bank, Canby, Minnesota. Capital, $50,000.
6367—Nowata National Bank, Nowata, Indian Territory. Capital, $25,000.
6368—First National Bank, Elkton, South Dakota. Capital, $25,000.
6369—First National Bank, Jasper, Missouri. Capital, $25,000.
6370—First National Bank, Miami, Florida. Capital, $50,000.
6371—Irvington National Bank, Irvington, New York. Capital, $25,000.
6372—First National Bank, Dalton, Ohio. Capital, $25,000.
6373—First National Bank, West Elizabeth, Pennsylvania. Capital, $25,000.
6374—First National Bank, Dublin, Georgia. Capital, $50,000.
6375—Farmers' National Bank, Prophetstown, Pennsylvania. Capital, $40,000.
6376—Ferris National Bank, Ferris, Texas. Capital, $25,000.
6377—Citizens' National Bank, Philippi, West Virginia. Capital, $40,000.
6378—First National Bank, Valentine, Nebraska. Capital, $25,000.
6379—First National Bank, Orrville, Ohio. Capital, $25,000.
6380—Morgan County National Bank, New Decatur, Alabama. Capital, $50,000.
6381—First National Bank, Toronto, South Dakota. Capital, $25,000.
6382—First National Bank, Neosho, Missouri. Capital, $30,000.
6383—Citizens' National Bank, King City, Missouri. Capital, $50,000.
6384—First National Bank, Falls Creek, Pennsylvania. Capital, $50,000.
6385—Planters' National Bank, Bennetteville, South Carolina. Capital, $50,000.
6386—First National Bank, Ripley, New York. Capital, $25,000.
6387—First National Bank, Sleepy Eye Lake, Minnesota. (P. O., Sleepy Eye.) Capital, $25,000.
6388—West Baden National Bank, West Baden, Indiana. Capital, $25,000.
6389—National Bank of Fairfax, Fairfax, Virginia. Capital, $25,000.
6390—Sealy National Bank, Sealy, Texas. Capital, $25,000.
6391—Belmont National Bank, Belmont, Ohio. Capital, $25,000.
6392—National Bank of Wichita, Wichita, Kansas. Capital, $100,000.
6393—First National Bank, New Rockford, North Dakota. Capital, $25,000.
6394—First National Bank, Conroe, Texas. Capital, $25,000.
6395—Citizens' National Bank, Sisseton, South Dakota. Capital, $50,000.
6396—Windom National Bank, Windom, Minnesota. Capital, $35,000.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice:

City National Bank, Auburn, Ind.; by W. H. McIntyre, *et al.*
Citizens' National Bank, New Lexington, Ohio; by A. Garlinger, *et al.*
First National Bank, Trafford City, Pa.; by P. W. Morgan, *et al.*
First National Bank, Hawley, Pa.; by Victor A. Decker, *et al.*
First National Bank, Bryceelyn, Minn.; by P. M. Joice, *et al.*

First National Bank, West Union, W. Va.: by D. P. Stout, *et al.*
City National Bank, Champaign, Ill.: by Geo. L. McClure, *et al.*
First National Bank, Marissa, Ill.: by J. A. Hamilton, *et al.*
First National Bank, Linton, N. D.: by E. A. Crain, *et al.*
Citizens' National Bank, Sugar City, Colo.; by J. E. Williams, *et al.*
First National Bank, Tremont, Ill.; by Ira D. Buck, *et al.*
Citizens' National Bank, Connellsville, Pa.: by W. H. Brown, *et al.*
First National Bank, Crary, N. D.; by J. H. Smith, *et al.*
Commercial National Bank, Sandusky, O.; by Wm. L. Allendorf, *et al.*
Citizens' National Bank: Athens, Tex.; by C. H. Morris, *et al.*
First National Bank, Brush, Colo.; by W. E. Smith, *et al.*
First National Bank, Radcliffe, Ia.; by Wm. Wiemer, *et al.*
City National Bank, Norman, Okla.: by D. B. Wynne, *et al.*
Webster Springs National Bank, Webster Springs, W. Va.; by C. P. Dorr, *et al.*
City National Bank, South McAlester, I. T.: by Frank Craig, *et al.*
First National Bank, Dalhart, Tex.: by J. T. Sneed, Jr., *et al.*
German-American National Bank, Shawano, Wis.; by E. V. Werner, *et al.*
First National Bank, Toledo, Ia.; by L. B. Blinn, *et al.*
First National Bank, Remsen, Ia.; by W. D. Creglow, *et al.*
Herald Square National Bank, New York, N. Y.; by E. P. Thomas, *et al.*
State National Bank, Shawnee, Okla.; by Willard Johnston, *et al.*
First National Bank, Etna, Pa.; by Henry W. Ochse, *et al.*
First National Bank, Mabank, Tex.: by A. E. Martin, *et al.*
Farmers' National Bank, Brookings, S. D.; by John C. Jenkins, *et al.*
First National Bank, Gunter, Tex.; by John Hardie, *et al.*
First National Bank, Gallitzin, Pa.: by J. R. Smith, *et al.*
Citizens' National Bank, Caldwell, O.; by C. C. Caldwell, *et al.*
First National Bank, Clarkfield, Minn.: by J. B. Piersol, *et al.*
First National Bank, Fort Morgan, Colo.: by A. M. Johnson, *et al.*
Citizens' National Bank, Jacksonville, Tex.; by W. P. Devereux, *et al.*
First National Bank, Colo, Ia.; by S. L. Moore, *et al.*
Odessa National Bank, Odessa, Tex.: by Thomas B. Van Tuyl, *et al.*
First National Bank, Wessington Springs, S. D.; by W. T. McConnell, *et al.*
Clarke National Bank, Minneapolis, Minn.; by A. D. Clarke, *et al.*
First National Bank, Crescent City, Ill.; by W. W. Parkman, *et al.*
First National Bank, Deport, Tex.; by J. H. Moore, *et al.*
First National Bank, Waseca, Minn.; by J. B. Sullivan, *et al.*
American National Bank, Ellendale, N. D.; by W. T. Full, *et al.*
Citizens' National Bank, Tunkhannock, Pa.: by John B. Fassett, *et al.*
Union National Bank, Indianapolis, Ind.; by Robert E. Morrison, *et al.*
City National Bank, Dawson, Ga.; by J. R. Mercer, *et al.*
Stockmen's National Bank, Brush, Colo.; by E. Munn, *et al.*
First National Bank, Rushford, Minn.; by Niles Carpenter, *et al.*

Application for Conversion to National Banks Approved.

Bank of Oakes, N. D.; into First National Bank.
American Bank and Trust Co., San Francisco, Cal.; into American National Bank.
Dakota County State Bank, Lakeville, Minn.; into First National Bank.
Great Northern Bank, Minot, N. D.; into Second National Bank.
Thornton Banking Co., Nevada, Mo.: into Thornton National Bank.
First State Bank, Milbank, S. D.; into First National Bank.
State Bank, Wilber, Neb.; into National Bank of Wilber.

NEW BANKS, BANKERS, ETC.

ALABAMA.

Mobile—Union Savings Bank: capital, $25,000; Pres., J. L. Taylor; Cas., James T. Duggan.

New Decatur—Morgan County National Bank (successor to Bibb, Hoff & Co.); capital, $50,000; Pres., Wm. A. Bibb; Vice-Pres., Wm. E. Skeggs; Cas., Geo. A. Hoff.

Uniontown—Farmers' Bank.

ARKANSAS.

England—Merchants & Planters' Bank.

Malvern—Hot Springs County Bank; capital, $12,500; Pres., H. A. Butler; Vice-Pres., E. H. Vance; Cas., H. L. McDonald.

Walnut Ridge—Bank & Trust Co.; capital, $50,000; Pres., T. J. Sharum; Vice-Pres., S. Reigler; Sec. and Treas., W. G. Clamorock.

CALIFORNIA.

San Francisco—Pacific Coast Trust Co.; capital, $5,000: Pres., J. H. Bacon; Vice-Pres., H. M. Bacon.

Tulare—Farmers and Merchants' Bank;

capital, $12,500; Pres., John A. Goble; Cas., H. M. Shreve.

COLORADO.

LA VETA—La Veta Bank.

FLORIDA.

MIAMI—First National Bank; capital, $50,000; Pres., E. M. Brelsford; Cas., Edward C. Rumph.

GEORGIA.

DUBLIN—First National Bank; capital, $50,000; Pres., F. G. Corker; Cas., A. W. Garrett.

WINDER—Smith & Caruthers.

ILLINOIS.

ANNAPOLIS—Annapolis Bank; Pres., B Umstot; Cas., J. I. Brydon.

ATWOOD—First National Bank (successor to Atwood State Bank); capital, $25,000; Pres., Thomas Breve, Sr.; Cas., T. D. Slater.

KANKAKEE — Eastern Illinois Trust Co.; Pres., Henry Beckman; Cas., Fred. Mann; Cas., Wm. Fraser.

PROPHETSTOWN—Farmers' National Bank; capital, $40,000; Pres., Nathan Thompson; Cas., Geo. E. Paddock.

ROBINSON—Crawford County State Bank; capital, $25,000; Pres., John S. Abbott; Cas., W. G. Eaton; Asst. Cas., T. S. Price.

STEGER—Bank of Steger; capital, $25,000; Pres., John Howard McEldowney; Cas., N. J. Fellows.

STOCKLAND—J. Sumner & Sons; capital, $50,000; Pres., J. Sumner; Vice-Pres., Aaron Sumner; Cas., Ed. Sumner; Asst. Cas., C. C. Bradfield.

THEBES—Marchildon, Rohring & Co.

INDIANA.

AMBOY—Miami County Bank; capital, $15,000; Pres., C. W. Cole; Cas., O. C. Atkinson.

SHARPSVILLE — Sharpsville Bank; Pres., Maurice Warner; Cas., Jno W. Robertson.

WEST BADEN—West Baden National Bank; capital, $25,000; Pres., Lee W. Sinclair; Cas., James F. Persise.

INDIAN TERRITORY.

GROVE—Citizens' State Bank.

MADILL—Madill National Bank; capital, $55,000; Pres., W. S. Derrick; Cas., C. J. Webster.

NOWATA—Nowata National Bank; capital, $25,000; Pres., William P. Ringo; Cas., John A. Wettack.

OKTAHA—Citizens' Bank; capital, $12,000; Pres., A. H. Livingston; Cas., Wm. Berridge.

PRYOR CREEK—Citizens' Bank; capital, $25,000; Pres., R. A. Brown; Cas., C. R. Donart.

IOWA.

ARION—Arion State Bank (successor to Bank of Arion); capital, $25,000; Pres., John L. Maurer; Cas., M. B. Nelson.

COLUMBIA—Columbia Savings Bank; Pres., Frank Caruthers; Cas., G. W. May.

CORRECTIONVILLE - Bailey State Bank (successor to Sioux Valley State Bank); capital, $30,000; Pres., Jos. V. Hinchman; Cas., Geo. A. Bailey; Asst. Cas., E. C. Bailey.

LAWTON — Lawton Savings Bank; capital, $10,000; Pres., W. W. McElrath; Cas., R. B. Lyle.

MT. STERLING—Mt. Sterling Savings Bank; Pres., B. R. Vale; Cas., W. B. Welch.

NEW VIRGINIA — Citizens' Savings Bank; capital, $10,000; Pres., C. C. Rundall; Cas., D. Lower, Jr.

QUASQUETON—State Savings Bank; capital, $20,000; Pres., T. F. Kimball; Vice-Pres., C. B. Hubbard; Cas., J. F. Biddinger.

REMSEN—Farmers and Merchants' Bank; Pres. and Cas., M. R. Faber.

ROWLEY—Rowley Bank.

KANSAS.

BELLE PLAINE - Citizens' State Bank; capital, $10,000; Pres., Jno. W. Breidenthal; Cas., C. H. Meyers; Asst. Cas., Emera E. Wilson.

GOFF—Farmers' State Bank; capital, $10,000; Pres., L. A. Corwin; Cas., Wm. Callahan.

NORTONVILLE—Exchange State Bank; capital, $10,000; Pres., C. C. McCarthy; Cas., O. A. Simmons.

OSAGE CITY—Citizens' State Bank; capital, $10,000; Pres., J. W. Laybourn; Cas., C. H. Curtis.

WICHITA—National Bank of Wichita; capital, $100,000; Pres., C. T. Granger; Vice-Pres., R. S. Granger; Cas., Geo. W. Robinson.

KENTUCKY.

FOUNTAIN RUN—Bank of Fountain Run; capital, $15,000; Pres., G. W. Harlin; Cas., T. W. Comer; Asst. Cas., John H. Harlin.

GUTHRIE—Farmers & Merchants' Bank; Pres., John Chote.

MACKVILLE—Farmers' Bank; Pres., W. B. Hatchett; Cas., J. W. Sallee.

SALEM—Bank of Salem; capital, $16,000; Pres., J. V. Hayden; T. M. George and R. H. Wright, Vice-Presidents; Cas., Roy L. Threlkeld.

UNIONTOWN—Farmers' Bank; capital, $20,000; Pres., M. J. Clements; Cas., Charles A. J. Kelleuaers.

LOUISIANA.

COTTONPORT — Cottonport] Bank; capital, $25,000; Pres., C. J. Ducote; Cas., T. M. Mathews.

CROWLEY—Union State Bank; capital, $100,000.

WELSH—First National Bank; capital, $25,000; Pres., Lee E. Robinson; Cas., Fred D. Calkins.

MICHIGAN.

ALGONAC — Algonac Bank (G. W. & F. T. Moore).

BEARLAKE — Citizens' Bank; (McPhail, Marshall & Maynard.)

BELLEVUE—Citizens' Bank; capital, $10,000.

HOLLY—Citizens' Savings Bank (successor to Citizens' Bank); capital, $20,000; Pres., A. H. Shepard; Cas., C. S. Cummings.

MINNESOTA.

AKELY—Akely State Bank; capital, $10,000; Pres., Geo. P. Porter; Vice-Pres., Edmund P. Allen; Cas., J. J. Morrow.

BLUE EARTH—Blue Earth Bank; capital, $15,000; Pres., F. W. Willmert; Vice-Pres., F. P. Brown; Cas., O. J. Clark.

BREWSTER—Brewster State Bank (successor to Bank of Brewster); capital, $25,000; Pres., C. C. Moffitt; Cas., C. R. West; Asst. Cas., Thomas T. Strand.

CANBY—First National Bank; capital, $50,000; Pres., J. G. Lund; Cas., S. J. Forbes.

CANNON FALLS—Farmers and Merchants' Bank (Erickson Bros.)

CLEARWATER—Bank of Clearwater; capital, $10,000.

DEXTER—Bank of Dexter; capital, $25,000; Pres., F. C. Hartshorn; Vice-Pres., Lee T. Jester; Cas., D. L. Mills.

ELK RIVER—Houlton's Bank; Cas., J. S. Gurney.

GLYNDON—Bank of Glyndon; capital, $6,000; Pres., Charles R. Oliver; Cas., Norman H. Stadum.

GREEN ISLE—Citizens' State Bank; capital, $10,000; Pres., F. F. Mansfield; Cas., M. Moliter.

KENNEDY—State Bank (successor to Bank of Kennedy); capital $12,000; Pres., H. L. Melgaard; Cas., Lauritz Melgaard;

KOOCHICHING—Lumbermen's Bank; capital, $15,000, Pres. C. W. Hastings; Cas., A. L. Sheldon.

READING—State Bank (successor to Bank of Reading); capital, $10,000; Pres., R. J. Jones; Cas., A. N. Cheney.

ROSE CREEK—Bank of Rose Creek; Pres., F. M. Beach; Vice-Pres., John Cronan; Cas., Charles Lacy.

SLEEPY EYE LAKE (P. O. Sleepy Eye)—First National Bank; capital, $25,000; Pres., C. D. Griffith; Cas., W. W. Smith.

ST. CLOUD—Security State Bank; capital, $50,000; Pres., E. L. Atwood; Cas., H. A. McKenzie.

TRUMAN—Truman National Bank; capital, $25,000; Pres., A. L. Ward; Cas., U. J. Pfiffner.

WINDOM—Windom National Bank; capital, $25,000; Pres., Delburt U. Weld; Cas., John I. Rupp.

MISSOURI.

AMORET—Bank of Amoret; Pres., H. M. Gailey.

CAPE GIRARDEAU—German-American Bank; capital, $25,000; Pres., L. F. Klosterman; Cas., E. H. Engleman.

COLLINS—Bank of Collins; capital, $10,000; Pres., J. C. Francis; Cas., R. E. Porta.

JASPER—First National Bank; capital, $25,000; Pres., Bert A. Gooding; Cas., Noah H. Mackey.

KANSAS CITY—Majestic Trust Co.; Treas., A. W. Childs.

KING CITY—Citizens' National Bank; capital, $50,000; Pres., David Bonham; Cas., Austin G. Bonham.

NEOSHO—First National Bank; capital, $30,000; Pres., C. M. Shartel; Cas., J. H. Hughes; Asst. Cas., E. C. Coulter.

PERRYVILLE—Perry County Bank; capital, $10,000; Pres., H. G. Kiesler; Cas., J. H. Kiesler; Asst. Cas., C. A. Kiesler.

SPRINGFIELD—Citizens' Bank.

NEBRASKA.

ADAMS—First State Bank; capital, $10,000.

BASSETT—Commercial Bank; capital, $10,000.

COLERIDGE—Commercial State Bank; capital, $20,000.

MONOWI—Monowi State Bank; Pres., F. Nelson; Vice-Pres., Geo. W. Chambers; Cas., J. Lewis Packard; Asst. Cas., H. K. Nelson.

VALENTINE—First National Bank (successor to Bank of Valentine); capital, $25,000; Pres., C. H. Cornell; Cas. M. V. Nicholson; Asst. Cas., Cora L. Watters.

NEVADA.

CARSON CITY—State Bank & Trust Co.; capital, $200,000; Pres., T. B. Rickey; Vice-Presidents, G. H. Meyers and C. T. Bender.

NEW MEXICO.

ALBUQUERQUE—Imperial-American East Side Sav. Bank; Pres., Jason E. Scovey; Cas., Charles H. Briggs.

RATON—Citizens' National Bank (successor to Citizens' Bank); capital, $50,000; Vice-Pres., S. W. Clark; Cas., M. M. Dawson.

NEW YORK.

IRVINGTON—Irvington National Bank; capital, $25,000; Pres., M. S. Beltzhoover; Cas., F. Chichester.

RIPLEY—First National Bank (successor to E. A. Skinner & Co.); capital, $25,000; Pres. J. A. Skinner; Cas., J. W. Burrows.

NORTH CAROLINA.

KERNERSVILLE—Bank of Kernersville; capital, $3,000; Pres., W. H. Mendenhall; Cas. Geo. V. Fulp.

WADESBORO—Bank of Wadesboro; Pres., T. J. Covington; Cas., E. A. Allen.

NORTH DAKOTA.

ANETA—Farmers and Merchants' Bank; capital, $5,000; Pres., E. J. Lander; Cas., H. E. McDougall; Asst. Cas., Karl Olson.

CARRINGTON—Commercial State Bank.

CRARY—First National Bank; capital, $25,000; Pres., J. H. Smith; Cas., O. C. Sagomoen.

DUDLEY—First Bank; capital, $10,000.

LAWTON—State Bank.

NEW ROCKFORD—First National Bank; capital, $25,000; Pres., Thomas L. Beiseker; Cas., James E. Hyde.

SYKESTON—Sykeston State Bank.

OHIO.

BEAVER DAM—Farmers' and Merchants' Bank; Cas., Bert Mann.

BELMONT—Belmont National Bank; capital, $25,000; Cas., J. F. Neff.

CANTON — Canton Savings and Trust Co.; capital, $100,000.

CINCINNATI—Helvetia Savings and Banking Co.; capital, $50,000; Pres., Charles Nickels; Sec. and Treas., Herman H. Evers.

CROOKSVILLE—Crooksville Bank Co.; Pres., W. N. Burley; Cas., J. L. Bennett.

DALTON—First National Bank; capital, $25,000: Pres., Henry M. Rudy; Cas., T. C. Hunsicker.

ORRVILLE — First National Bank; capital, $25,000; Pres., D. J. Leickheim; Cas., L. J. Alcorn ——Orrville National Bank: capital, $40,000; Pres., H. H. Strauss; Cas., A. N. Brenneman: Asst. Cas., F. L. Strauss.

SCOTT—Bank of Scott; Pres., Charles Brown; Cas., U. S. Grant.

YOUNGSTOWN—Crow Banking Co. —— International Bank (G. V. Hamony).

OKLAHOMA.

CACHE—Bank of Cache; capital, $10,000.

CANUTE—First State Bank; capital, $5,000; Pres., John H. Mosier; Vice-Pres., G. W. Wagner; Cas., L. H. Scheidemantel.

CHEYENNE — Citizens' State Bank; capital, $10,000.

DRUMMOND—Bank of Drummond.

HOBART—Farmers and Merchants' National Bank; capital, $25,000; Pres., A. H. Bedford; Vice-Pres., A. C. Holland; Cas., W. J. Candill; Asst. Cas., J. K. Spears.

MORRISON — Bank of Morrison; capital, $5,000; Pres., J. P. Wolsey; Cashier, R. E. Bagby.

TALOGA—Farmers' Savings Bank; capital, $5,000.

OREGON.

CORVALLIS—Willamette Valley Banking Co.: Pres., Thomas Leese: Cas., N. Wilkinson.

JEFFERSON—Oregon State Bank; capital, $25,000; Pres. J. A. Aupperla; Cas., E. W. Hazard.

PENNSYLVANIA.

FALLS CREEK—First National Bank: capital, $50,000; Pres., David T. Dennison; Cas., John A. Miller.

WEST ELIZABETH—First National Bank, capital, $25,000; Pres., Amos M. Pierce; Vice-Pres., John A. Snee; Cas., A. G. Boal; Asst. Cas., John S. Speer.

SOUTH CAROLINA.

BENNETTSVILLE—Planters' National Bank; capital. $50,000; Pres., A. J. Matheson; Cas., J. Walter McRae.

GREENVILLE — Blue Ridge Bank; capital, $15,000; Pres., J. J. Cowart; Cas., C. F. Schwing.

MAYESVILLE—Bank of Mayesville; capital, $15,000.

SOUTH DAKOTA.

CLEAR LAKE—First National Bank; successor to Farmers' State Bank); capital, $25,000; Pres., John Swenson; Cas., J. A. Thronson.

ELKTON—First National Bank: capital, $25,000; Pres., F. E. Gerlach; Cas., E. R. Zalesky.

SISSETON Citizens' National Bank: capital, $50,000; Pres., Joseph Warwick; Cas., A. J. Norby.

TORONTO—First National Bank (successor to State Bank); capital, $25,000; Pres., John Swenson; Cas., Jer. F. Fries.

TEXAS.

AUBREY—Bank of Aubrey; capital, $25,000; Pres., B. B. Samuels; Cas., H. G. Musgrove.

BEAUMONT - Hogg-Swayne Company.

CONROE—First National Bank; capital, $25,000; Pres., D. C. Tharp; Cas., Banks Griffith.

FERRIS—Ferris National Bank; capital, $25,000; Pres., T. G. Cole; Cas., J. C. Malloy.

GRANGER—First National Bank; capital, $35,000; Pres., Wilford McDaniel; Vice-Pres., R. McDaniel; Cas., David C. Young.

MADISONVILLE—First National Bank; capital. $25,000; Pres., H. F. Moore; Vice-Pres., E. B. Seay; Cas., Dave H. Shapira.

SEALY—Sealy National Bank; capital, $25,000; Pres., Leonard Tillotson; Cas., J. G. Wessendorf.

STOWELL—Moore, Schwettman & Co.; capital, $5,000.

VIRGINIA.

CHARLOTTESVILLE -Fidelity Sav. and Trust Co.; capital, $50,000; Pres., C. J. Rixey; Cas., Eppa Rixey.

FAIRFAX—National Bank of Fairfax; capital, $25,000; Pres., R. W. Moore; Cas., Frank R. Ford.

LA CROSSE—R. J. Montgomery & Sons.

WASHINGTON--W. M. Stuart.

WASHINGTON.

CUNNINGHAM—Inland Bank (F. W. Parker.)

GOLDENDALE—Bank of Goldendale (successor to Moore Bros.); capital, $16,000; Pres., A. Melgard; Cas., T. B. Montgomery.

TWISP—Methow Bank of L. L. Work.

WEST VIRGINIA.

PHILIPPI—Citizens' National Bank; capital, $40,000; Cas., R. E. Talbott.

WISCONSIN.

CADOTT—Citizens' State Bank; capital, $25,000; Pres., Henry Goetz, Sr.; Cas., A. C. Bohrnstedt.

HAYWARD— Bank of Hayward (O. H. Osmundsen).

PARK FALLS—Bank of Park Falls; Cas., A. L. Weisbrod.

CANADA.

BRITISH COLUMBIA.

FRANK—M. A. Beale & Co.

VICTORIA—Imperial Bank of Canada; J. S. Gibb, Manager.

MANITOBA.

ALTONA—Union Bank of Canada; J. Siegel, Manager.

ONTARIO.

CLINTON—Sovereign Bank of Canada.

MILVERTON—Sovereign Bank of Canada.

STIRLING—Sovereign Bank of Canada.

QUEBEC.

GASPE BASIN — Bank of Toronto; F. A. Brodie, Mgr.

CHANGES IN OFFICERS, CAPITAL, ETC.

CALIFORNIA.

BAKERSFIELD—First National Bank; E. D. Buss, Cas. in place of Frank S. Rice; J. L. Schonenbach, Asst. Cas.

SAN FRANCISCO—Bank of California; Thomas Brown, Cas., deceased.

COLORADO.

DENVER—Continental National Bank; Geo. E. Armstrong, Asst. Cas.

IDAHO SPRINGS — Merchants and Miners' Bank; James L. Lindsay, Cas. in place of Geo. E. Armstrong.

CONNECTICUT.

WINSTED—Winsted Savings Bank; Lorrin A. Cooke, deceased.

GEORGIA.

DUBLIN—Laurens Banking Co.; T. W. Powell, Cas. in place of Andrew Garrett.

ILLINOIS.

EDWARDSVILLE—First National Bank; Henry Trares, Pres. in place of Benjamin R. Burroughs.

MATTOON—Mattoon National Bank; no Asst. Cas. in place of W. T. Avey.

METAMORA—Metamora Bank; E. W. Knoblauch, Cas.

ROCK ISLAND — People's National Bank; Peter Fries, Vice-Pres., deceased.

STERLING—First National Bank; T. S. McKinney, Cas. in place of Henry Green; O. P. Petty, Asst. Cas. in place of T. S. McKinney.

INDIANA.

BROOKVILLE — Franklin County National Bank; Louis Federmann, Vice-Pres.; Frank Geis, Jr., Asst. Cas.

GOSHEN — City National Bank; capital increased to $100,000.

ORLEANS—National Bank of Orleans; I. C. Matthew, Cas. in place of E. R. Conder.

SOUTH BEND — Merchants' National Bank; A. P. Sibley, Vice-Pres.; F. Van Steenbergh, Asst. Cas.

INDIAN TERRITORY.

ROFF — First National Bank; A. L. Nims, Asst. Cas.

RYAN — First National Bank; P. W. Still, Cas. in place of L. S. Noble.

IOWA.

SIOUX RAPIDS—State Security Bank; J. H. McCord, Pres. in place of C. B. Mills.

KANSAS.

ELMDALE—People's Exchange Bank; William Jeffrey, Pres., deceased.

LA CYGNE—State Bank; absorbed by Linn County Bank.

MADISON—First National Bank; W. M. Price, Cas., in place of J. F. Steindorf.

MARYSVILLE—Exchange Bank; Charles F. Koester, Pres., deceased.

KENTUCKY.

HARTFORD—First National Bank; T. Larkin Griffin, Pres., deceased.

MAINE.

GARDINER—Gardiner National Bank; H. M. Lawton, Cas., in place of Alvan C. Harlow.

HALLOWELL — Northern National Bank; Ben. Tenny, Pres. in place of James H. Leigh, deceased.

MASSACHUSETTS.

LAWRENCE—Essex Savings Bank; Joseph Shattuck, Jr., Treas., resigned.

MERRIMAC—First National Bank; Edward B. Sargent, Pres., deceased.

SALEM - Salem Savings Bank; Charles S. Rea, Pres., in place of Edward D. Ropes, deceased.

SPRINGFIELD — Springfield Institution for Savings; Joseph Shattuck, Jr., Treas.

MICHIGAN.

MORENCI — First National Bank: Casper Rorick, Vice-Pres., in place of E. L. Barber; A. V. Foster, Cas., in place of John P. Rorick.

PONTIAC—First Commercial Bank; William H. Dawson, Vice-Pres. in place of Goodman Jacobs.

TRAVERSE CITY—First National Bank; John T. Beadle, Pres. in place of H. S. Hull; B. J. Morgan, Vice-Pres. in place of John T. Beadle; Frank Hamilton, Second Vice-Pres. in place of B. J. Morgan.

MINNESOTA.

CASS LAKE—First National Bank; G. D. La Bar, Vice-Pres.; R. H. Shumaker, Asst. Cas.

RUTHTON—First National Bank; H. Martinson, Vice-Pres.; N. C. Bertelson, Asst. Cas.

MISSOURI.

LANCASTER — Farmers and Merchants' Savings Co.; capital increased to $50,000.

MARYVILLE — Maryville National Bank; S. G. Gillam: Vice-Pres. in place of A. M. Howendobler; W. C. Pierce, Cas. in place of Elmer Fraser.

NEBRASKA.

HUMPHREY — First National Bank; A. J. Langer, Pres. in place of Bey Martyn; J. W. Bender, Vice-Pres. in place of T. D. Robison; H. M. Little, Cas. in place of Lee Martyn.

OMAHA—Omaha National Bank; Charles E. Waite, Asst. Cas. in place of E. E. Balch.

NEW MEXICO.

CLAYTON—First National Bank: H. J. Ham-

mond, Vice-Pres.; J. W. Evans, Cas. in place of H. J. Hammond.

NEW YORK.

BROOKLYN — Mechanics' Bank; Geo. W. White, Pres., deceased.

ELLENDALE—Home National Bank; Wm. R. Rose, Pres. in place of John McElhone, deceased; J. N. Cox, Vice-Pres. in place of Wm. R. Rose.

ITHACA — First National Bank; John C. Stowell, Vice-Pres. deceased.

MOUNT MORRIS — Genesee River National Bank; J. E. Mills, Pres. in place of H. P. Mills, deceased.

WARSAW—Bank of Warsaw; E. O. McNair, Pres.; L. H. Davis, Cas.; John W. Smith, Asst. Cas.

NORTH CAROLINA.

GOLDSBORO—National Bank of Goldsboro: J. M. Hollowell, Cas., resigned.

OHIO.

BOWLING GREEN—First National Bank; W. H. Millikin, Pres. in place of John R. Hankey, deceased.

FINDLAY—Farmers' National Bank; no Cas. in place of J. G. Hull.

MARTINS FERRY — Commercial Bank Co.; James Alexander Gray, Pres., deceased.

MOUNT STERLING—First National Bank; no Cas. in place of J. A. Miller.

NEWARK—First National Bank; no Pres. in place of Jerome Buckingham.

STEUBENVILLE—National Exchange Bank: H. F. Clark, Asst. Cas.

WARREN—Citizens' Savings Bank and First National Bank; absorbed by Union National Bank.

OKLAHOMA.

BRIDGEPORT—Bridgeport State Bank; capital reduced to $10,000.

GUTHRIE — Capitol National Bank; D. A. Nelson, Cas. in place of J. H. Edmondson.

PAWHUSKA — First National Bank; A. N. Rublo, Cas. in place of Geo. W. Simcock.

SHAWNEE First National Bank; W. L. Chapman, Vice-Pres. in place of J. P. Boyle; J. H. Maxey, Jr., Cas. in place of Willard Johnston; Leo E. Montgomery, Asst. Cas.

STILLWATER — First National Bank; S. F. Swinford, Pres. in place of C. P. Rock.

STROUD—First National Bank; H. M. Johnson, Pres. in place of H. S. Emmerson; J. W. Stroud, Vice-Pres.

WEATHERFORD—National Exchange Bank; P. E. Schaub, Asst. Cas. in place of G. J. E. Moser.

OREGON.

LA GRANDE—Farmers and Traders' National Bank; G. E. McCully, Asst. Cas.

PENNSYLVANIA.

ELLWOOD CITY — Ellwood City National Bank; C. D. Cobau, Cas. in place of J. J. Blatt.

GALETON—Galeton Banking Co.; Herman H. Griswold, Cas.

MARS—Mars National Bank; J. E. Hosack, Vice-Pres. in place of J. C. Barr, deceased.

MEDIA—Charter National Bank; Jared Darlington, Pres., deceased.

MEYERSDALE—Citizens' National Bank; S. B. Philson, Pres. in place of Samuel Philson, deceased; J. J. Hoblitzell, Vice-Pres. in place of E. R. Floto; E. R. Floto, Cas. in place of S. B. Philson.

PITTSBURG—Mechanics' National Bank; F. H. Skelding, Pres. in place of Geo. J. Gorman.

RIDGWAY—Ridgway National Bank; Thomas J. Maxwell, Cas. in place of Wm. Postlethwait.

RHODE ISLAND.

PAWTUCKET—Pawtucket Instn. for Savings; Lyman M. Darling, Pres., deceased.

SOUTH DAKOTA.

SCOTLAND—Bank of Scotland; L. F. King, Vice-Pres., deceased.

TENNESSEE.

JOHNSON CITY—Unaka National Bank; S. C. Williams, Vice-Pres.; Adam B. Crouch, Asst. Cas.

KNOXVILLE—Holston National Bank; J. A. Armstrong, Asst. Cas.

LEBANON—American National Bank; J. A. Lester, Vice-Pres.; I. J. Dodson, Asst. Cas.

TEXAS.

GALVESTON—Island City Savings Bank; I. H. Kemper, Pres. in place of R. Waverley Smith, resigned.

GRAND SALINE—First National Bank; J. E. Andrews, Asst. Cas. in place of E. Lee Flowers.

HOUSTON — First National Bank; W. H. Palmer, Cas., deceased.

LUFKIN—Lufkin National Bank; W. B. McMullen, Asst. Cas.

SULPHUR SPRINGS — First National Bank M. B. Sherwood, Asst. Cas.

TAYLOR — First National Bank; John W. Kelly, Pres. in place of C. H. Welch, deceased; John P. Sturgis, Vice-Pres.

UTAH.

SALT LAKE CITY—Wells, Fargo & Co. Bank; F. L. Lipman, Cas. in place of John E. Dooly.

VERMONT.

BRATTLEBORO—People's National Bank; O. L. Sherman, Pres.; J. G. Estey, Vice-Pres. in place of O. L. Sherman; C. L. Stickney, Asst. Cas.

DANVILLE—Caledonia National Bank; Peter Wesson, Vice-Pres. in place of Theron H. Lance.

WEST VIRGINIA.

CLARKSBURG—Traders' National Bank; C. Spriggs Sands, Cas., deceased.

ELKINS—West Virginia Trust and Guar. Co.: O. J. Fleming, Cas., resigned.

WYOMING.

SHERIDAN—First National Bank; Robert H. Walsh, Pres. in place of J. B. Kendrick; Malcolm Moncreiffe, Vice-Pres. in place of E. A. Whitney; no 2d Vice-Pres. in place of A. S. Burrows; C. S. Robinson, Cas. in place of C. B. Burrows; no Asst. Cas. in place of W. G. Griffin.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

FLORIDA.

ST. PETERSBURG—St. Petersburg State Bank; closed August 9.

INDIANA.

ELNORA—Elnora Bank.

KENTUCKY.

RUSSELLVILLE—Logan County Bank; in voluntary liquidation.

MISSOURI.

ST. LOUIS — Continental National Bank; in voluntary liquidation July 31.

NEBRASKA.

TECUMSEH—Chamberlain Banking House.

NEW YORK.

BUFFALO—John F. Meaney & Co.

OHIO.

CONNEAUT—Conneaut Banking and Savings Co.; in voluntary liquidation.

PENNSYLVANIA.

SHARON—Sharon National Bank; in voluntary liquidation August 20.

WASHINGTON.

SEATTLE—Seattle Trust Co.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

New York, September 2, 1902.

Dearer money and a strong stock market were the unusual features of the mid-summer month just closed. We shall refer to the first mentioned feature later on. The stock market was exceptionally active, the sales recorded exceeding 14,000,000 shares for the month. This is the largest total ever reached in August, and exceeds the transactions of August last year by 3,500,000 shares. Except in April and July this year the sales in August are the largest for the year, barring perhaps January, when the sales were about the same as in the last month.

The prices of a majority of stocks reached the highest figures for the year during the month, and in many cases the highest quotations were recorded on the last day of the month. It does not follow, however, that there was a continuous bull movement. In fact, there were interruptions which left the market weak at times.

General conditions continue favorable to the upward movement. Even the unfavorable influences to some extent have their origin in the unparalleled prosperity. The apprehensions regarding the money market are certainly caused by the knowledge that there are enormous crops in sight and to be moved, and that money will be needed to do it.

Prices of securities compared with those which once seemed high enough, it must be admitted, are in many cases at a very high altitude, yet prominent operators in Wall Street of recognized shrewdness have not hesitated to express the most bullish sentiment regarding the future of the stock market. This is offered only as an indication of the conditions as they now exist.

The anthracite coal strike has continued through another month, and its influence is bound to be far reaching. The drain upon the resources of the wage earners, the loss to many lines of business and the general bad effects of so long a struggle, must cause an aftermath of distress. The effect of the strike was brought home to investors last month in the reduction of the semi-annual dividend of the Reading Company from two to one per cent. The loss of earnings on account of the strike is given as the cause of the reduction, although the reducing of the dividend gives the "voting trust" another lease of life of at least two years.

The iron trade is also feeling the effect of the coal strike. The production of pig iron fell to 336,465 tons per week on August 1, the smallest since February, and 15,600 tons less than on May 1. The output is affected by the lack of anthracite coal and also by the inability of the railroads to transport coke to the furnaces. There is a scarcity of pig iron and no prospect of any immediate relief.

But for the fact that a large increase in the exports of breadstuffs may reasonably be expected, the foreign trade movement would cause uneasiness. The exports of merchandise in July fell below $89,000,000, while those in June were barely above that figure. Comparing that amount with $145,000,000, the value of exports in October last, and with $163,000,000 in October, 1900, it is evident that the export movement has fallen off.

At the same time, however, imports of merchandise have increased, and in July amounted to $79,000,000. The exports exceeded the imports by only $9,600,000 in that month, while in the same month in each of the previous three years the excess

was more than $30,000,000. When it is recalled that last January the excess of exports was $50,000,000, last October $64,000,000, and in October, 1900, nearly $93,000,000, the reduction in the balance is strongly suggestive of gold exports.

Yet exports of corn and wheat promise to save the day. These were at a very low ebb in July. While the total exports of merchandise were $20,645,000 less than in the same month last year, the decrease in breadstuffs was $11,664,000, in provisions $4,395,000, in cotton $4,518,000, and in mineral oils $922,000, a total of $21,299,000, or $654,000 more than the decrease in exports of all commodities. The exports of corn were only $361,000, as compared with $3,523,000 last year, of oats $243,000 against $1,122,000, of wheat $6,565,000 against $13,381,000, and of wheat flour $4,901,000 against $5,682,000. Our exports of corn during the fiscal year ended June 30, 1902, were valued at only $17,000,000, as compared with $84,000,000 in 1901, and $87,000,000 in 1900. We had a poor corn crop last year, only 1,522,000,000 bushels, the smallest in twenty years except in three years. This year the yield will be at least 1,000,000,000 bushels larger than the crop of 1901, and the other cereals are also prolific. The exports of breadstuffs and cotton ought therefore to increase the trade balance.

It is not feared that any large quantity of gold will be exported this year, and should the demand for money cause a high rate to prevail it is probable that gold will be shipped to New York from abroad. Things began to shape in that direction during the last month and the money question came into unusual prominence in the last few weeks. There has not been anything like a squeeze in money, nor have rates gone above six per cent. on call. But an active demand for money is anticipated, especially to move the crops, which largely exceed in yield those of last year. Each week the statement of the New York Clearing House banks has been awaited with more or less anxiety. The reserves have been at a low level continuously since August 1, but it was not until the middle of the month that either loans or deposits began to fall off. In the last two weeks of the month deposits were reduced more than $24,000,000 and loans more than $19,000,000.

The close of the month finds the local banks with nearly $936,000,000 deposits, $910,000,000 loans and a surplus reserve of less than $10,000,000. These are not record-breaking figures nor is the situation such as to cause concern. It is a usual experience about September 1 to find the reserves of the New York banks at a low point. The following table shows the loans, deposits and reserves of those institutions on September 1 in each of the last seven years:

SEPTEMBER 1.	*Loans.*	*Deposits.*	RESERVES.			
			Specie.	*Legal tenders.*	*Total.*	*Surplus.*
1896	$455,790,200	$451,934,800	$47,345,700	$74,474,200	$121,819,900	$8,836,200
1897	560,874,500	636,996,000	92,628,100	106,138,600	198,766,700	39,517,700
1898	672,173,900	752,389,800	148,378,300	54,710,200	203,088,500	14,990,050
1899	753,663,000	849,793,800	168,093,900	53,545,800	221,639,700	9,191,250
1900	816,849,000	903,486,900	176,904,400	76,045,800	252,950,200	27,078,475
1901	895,186,600	968,121,900	176,791,400	77,159,000	253,950,400	11,919,925
1902	910,040,000	935,998,500	167,427,000	76,315,400	243,742,400	9,742,775

The loans are larger than in any previous year on the same date, and deposits are also larger excepting only last year. The surplus reserve is smaller than a year ago, but excepting 1897 and 1900 the reserve this year does not compare very unfavorably with any of the previous six years.

One feature of the comparison, however, is deserving of notice; the close approximation in amount of the loans and deposits, the latter exceeding the former by less

than $26,000,000. Not since 1896, when the loans slightly exceeded the deposits, have the loans and deposits been so near together on September 1 as this year.

In view of the prospective demand for money this autumn the Secretary of the Treasury has been considering plans for increasing the volume of currency. He has been increasing the public deposits in National banks until now those institutions hold $126,000,000 of the Government's funds, leaving only about $80,000,000 of an available balance in the Treasury.

The Secretary has also invited some of the larger National banks in the principal cities to increase their circulation. To do this, however, it will be necessary for the banks to buy or borrow Government bonds, for they hold very few that are not already deposited to secure either circulation or public deposits. From the latest statement of the Comptroller of the Currency we show the capital, Government bond holdings, circulation and public deposits in the National banks in central reserve cities, other reserve cities and elsewhere in the country :

	Central reserve city banks (61).	*Other reserve city banks (274).*	*Country banks (4,200).*	*Total (4,535).*
Capital	$128,750,000	$162,900,260	$410,340,294	$701,990,554
Government bonds	92,335,240	98,239,340	257,869,000	448,443,580
Circulation	$45,397,922	$58,170,733	$205,767,944	$309,336,599
Government deposits	43,318,857	33,982,886	40,937,055	118,238,798
Circulation and U.S. deposits.	$88,716,779	$92,153,619	$246,704,999	$427,575,397

While all the National banks in the country have $448,000,000 of Government bonds, they have $427,000,000 of circulation and public deposits, or within $21,000,000 of the par value of the bonds. The limit of expansion of currency upon the present holdings of Government bonds would be even less than that figure. The central reserve city banks have a margin of less than $4,000,000, the other reserve city banks $6,000,000, and the country banks $11,000,000.

The National banks are authorized to issue notes up to the amount of their capital provided they deposit an equal amount of Government bonds. Were the latter requirement rescinded, or it were possible to obtain the bonds, an expansion of the currency equal to more than $250,000,000 might be brought about at once, but only $36,000,000 of it would be in the central reserve cities and $64,000,000 in the other reserve cities. The banks in those cities now hold a much larger amount of bonds in proportion to their capital than do the banks elsewhere in the country.

We now give similar figures for the eleven cities which have the largest amount of National bank capital.

CITIES.	*Capital.*	*Government bonds.*	*Circulation.*	*U. S. deposits.*
New York	$90,600,000	$74,289,710	$31,947,787	$39,343,320
Boston	33,850,000	9,767,500	5,308,190	4,255,911
Philadelphia	21,405,000	13,903,200	9,212,135	4,319,035
Pittsburg	19,970,000	9,242,650	6,464,097	2,559,820
Chicago	23,750,000	4,444,740	2,522,338	1,400,453
St. Louis	14,400,000	13,600,790	10,927,797	2,575,084
Baltimore	12,403,230	5,720,780	3,187,908	2,506,383
Cleveland	12,400,000	5,525,000	4,565,650	861,790
Cincinnati	7,700,000	8,596,380	4,287,648	3,830,929
Louisville	4,645,000	6,808,200	4,155,150	2,416,025
San Francisco	6,200,000	5,247,940	4,193,440	908,939
Total	$247,323,000	$157,146,870	$86,772,230	$64,972,689

The banks in the cities named hold $157,000,000 of United States bonds, but against them they have nearly $152,000,000 of note circulation and Government

deposits. There is practically no opportunity here of expansion of bank currency on the present holdings of bonds except by surrendering Government deposits.

While the bond holdings are $90,000,000 less than the total capital, $24,000,000 of the difference is credited to the Boston banks, $19,000,000 to Chicago, $16,000,000 to New York and $10,00,000 to Pittsburg, while in several cities the amount of bonds owned equals or exceeds the capital. It is not easy to take a very hopeful view from these figures regarding the opportunity to expand the currency.

Still, assurances have been held out that some of the banks will borrow bonds and take out circulation. It is reported from Washington that in pursuance of the suggestion of the Secretary of the Treasury $15,000,000 of notes had been ordered printed for banks requesting additional circulation.

In view of the enlarging demand for money the relations of the United States Treasury to the money market are being watched closely. While in July the Treasury disbursed $7,500,000 more than it received. in August it received nearly $6,000,000 more than it disbursed. The receipts were $700,000 less than in July, but the expenditures were $6,600,000 less also. The customs receipts are gaining about as much as the internal revenue receipts are decreasing. At present at any rate the prospect of a Treasury deficit is not disturbing.

An interesting financial event of the month was the listing at the New York Stock Exchange of 2,310,000,000 rubles of four per cent. rentes of Russia. The only other foreign securities listed are of Germany, Quebec and Mexico.

The first comprehensive report of the operations of the railroads of the United States during the first half of the present calendar year is presented by the "Financial Chronicle." The gross earnings of 154 roads aggregated $670,000,000, an increase over those of the corresponding six months of 1901 of nearly $39,000,000. The net earnings were nearly $210,000,000, a gain of more than $7,700,000. For five consecutive years the gross earnings have increased while net earnings have increased every year since 1894.

The following table shows the gross and net earnings in the first half of each of the last ten years with the gain each year and also the ratio of net to gross earnings:

YEAR.	*Roads.*	*Gross earnings.*	*Increase.*	*Net earnings.*	*Increase.*	*Ratio of net to gross earnings. Per cent.*
1893	176	$430,110,000	$14,360,000	$124,158,000	$882,000	28.86
1894	172	331,808,000	*67,476,000	94,109,000	*23,461,000	28.36
1895	169	361,391,000	12,201,000	106,106,000	6,491,000	29.36
1896	174	384,020,000	17,208,000	112,698,000	4,556,000	29.35
1897	170	405,004,000	*2,161,000	121,059,000	5,632,000	29.89
1898	179	460,528,000	49,932,000	139,586,000	17,690,000	30.31
1899	165	489,510,000	27,517,000	150,599,000	10,054,000	30.76
1900	170	577,150,000	70,783,000	180,718,000	25,127,000	31.31
1901	172	638,335,000	57,913,000	206,218,000	26,723,000	32.30
1902	154	670,399,000	38,905,000	209,974,000	7,723,000	31.32

* Decrease.

The table shows that not only has there been a large increase in earnings, both gross and net, but that the ratio of net to gross earnings has also increased. The showing would be still more favorable had it not been that the railroads have availed themselves of the large earnings to make more liberal expenditures for betterments. The railroads are now in shape to operate more economically than they could before.

NATIONAL BANKS IN THE UNITED STATES.—The statements of the National banks to the Comptroller of the Currency showing their condition on July 16 makes an impressive exhibit Excepting a decrease of about $13,000,000 in individual deposits and of nearly $6,000,000 in amount due banks, there is a gain in nearly every item as compared with the statement of April 30 last. There are now 4,535 banks,

an increase of 112 in number since April and of 370 since July 15, 1901. The total resources for the first time in the history of the National bank system exceeds $6,000,000,000. They increased $46,619,000 since April and nearly $333,000,000 in the past year. The capital is $701,990,554, an increase of nearly $31,000,000 since April and of $56,000,000 in a year. The surplus and undivided profits now amount to $482,000,000, or nearly seventy per cent. of the capital. The increase since April is $21,000,000 and in the last year nearly $66,000,000.

While National bank deposits decreased nearly $13,000,000 since April 30 they are $157,000,000 larger than they were a year ago. Loans increased $49,000,000 since the last previous statement and now amount to $3,221,859,631, an increase of nearly $265,000,000 over the total of a year ago. As to reserves there has been a gain of $11,000,000 nearly equally divided between specie and legal tenders, but the year's increase is all in specie, more than $33,000,000. The following table gives some of the more important items of each statement made in the last two years:

CONDITION OF THE NATIONAL BANKS OF THE UNITED STATES.

	Capital.	*Surplus.*	*Individual deposits.*	*Gold.*	*Silver.*	*Legal tenders.*
September 5, 1900	$630,299,030	$261,874,068	$2,508,248,557	$312,158,312	$61,170,098	$147,131,493
December 13, 1900	632,353,495	262,387,648	2,623,997,522	301,619,990	58,052,234	142,134,945
February 5, 1901..	634,696,505	266,520,595	2,753,969,722	332,971,037	66,985,107	152,386,332
April 24, 1901.....	640,778,600	267,810,240	2,893,665,450	315,546,242	71,227,450	159,824,246
July 15, 1901.......	645,719,099	274,194,176	2,941,837,429	302,826,065	68,259,478	164,929,624
September 30, 1901	655,341,880	279,532,859	2,937,753,233	314,397,341	62,284,530	151,018,751
December 10, 1901	665,340,664	287,170,338	2,964,417,966	303,753,440	65,899,068	151,118,358
February 25, 1902.	667,381,231	294,951,787	2,982,489,301	337,851,267	69,230,896	154,682,644
April 30, 1902.....	617,176,312	298,597,509	3,111,690,196	321,866,068	76,894,493	159,292,682
July 16, 1902......	701,990,554	325,524,915	3,098,875,772	323,118,823	81,645,155	164,854,292

THE MONEY MARKET.—The local money market has shown some sensitiveness during the month although call money did not go above six per cent. at any time. The usual demand for money to move the crops has begun and the sub-Treasury has also been taking money out of circulation. Bank reserves have fallen and upon the whole the influences at present are working for dearer money. At the close of the month call money ruled at 4 @ 5½ per cent., most of the loans being made at 4½ per cent. Banks and trust companies quote 3½ per cent. as the minimum rate. Time money on Stock Exchange collateral is quoted at 5 per cent. for 60 to 90 days and 5 @ 5½ per cent. for 4 to 6 months on good mixed collateral. For commercial paper the rates are 5 per cent. for 60 to 90 days' endorsed bills receivable, 5 @ 5½ per cent. for first-class 4 to 6 months' single names, and 5½ @ 6 per cent. for good paper having the same length of time to run.

MONEY RATES IN NEW YORK CITY.

	April 1.	*May 1.*	*June 1.*	*July 1.*	*Aug. 1.*	*Sept. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances........	3 —4½	3¾—8	2¾ -3½	3½—7	2½-3	4 —5½
Call loans, banks and trust companies....	4½—	4 —	3 —	3 —	3 —	3½—
Brokers' loans on collateral, 30 to 60 days....	....	4 — ½	4¼— ½	4¼—	4½—	5 —
Brokers' loans on collateral, 90 days to 4 months....	4¼— ¾	4 — ½	4¼— ½	4¼—4½	4½— ¾	5 — ½
Brokers' loans on collateral, 5 to 7 months....	4¼— ¾	4 — ½	4¼— ½	4½—	4¾—5	5 — ½
Commercial paper, endorsed bills receivable, 60 to 90 days....	4½—	4¼— ½	4¼— ½	4½—	4½— ¾	5 —
Commercial paper prime single names, 4 to 6 months....	4½—5	4½—5¼	4¼— ¾	4½—5	4½—5	5 — ½
Commercial paper, good single names, 4 to 6 months....	5½—	5 — ½	5 — ½	5 —5½	5½—6	5½-6

NEW YORK CITY BANKS.—The reserves of the clearing-house banks have been so near the legal minimum during the entire month that each forthcoming weekly statement has been awaited with exceptional interest. On August 16 the surplus reserve was down to about $7,000,000—a very narrow margin, when compared with the required reserve of $240,000,000. At the close of the month it was $9,742,000, or $2,000,000 less than it was a year ago, and $4,000,000 less than a month ago. The deposits, after increasing to $960,000,000 on August 16, fell off $24,000,000 in the following two weeks. Loans were also reduced in the same time $19,000,000. Circulation has begun to increase again, the gain in the last three weeks being $1,000,000.

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Aug. 2...	$919,671,600	$173,443,900	$79,580,600	$957,145,500	$13,738,125	$32,184,100	$1,477,217,100
" 9...	926,494,800	171,468,400	77,473,600	959,643,000	9,031,250	31,880,200	1,185,448,000
" 16...	929,148,000	170,838,000	76,350,100	960,246,000	7,126,600	32,105,100	1,353,552,600
" 23...	918,687,900	171,562,200	75,248,600	948,269,800	9,743,350	32,414,900	1,375,558,500
" 30...	910,040,000	167,427,000	76,315,400	935,998,500	9,742,775	32,935,100	1,370,876,100

NON-MEMBER BANKS—NEW YORK CLEARING-HOUSE.

DATES.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus.*
Aug. 2....	$75,129,200	$79,991,200	$3,470,100	$3,981,900	$8,160,200	$2,143,100	* $2,242,500
" 9....	74,979,000	80,384,600	3,486,200	4,011,300	8,339,600	2,211,700	* 2,047,450
" 16....	74,985,900	79,842,700	3,451,700	3,968,500	7,898,100	2,277,100	* 2,365,275
" 23....	74,806,100	80,148,100	3,440,000	3,975,300	8,516,200	2,214,700	* 1,890,825
" 30....	75,470,200	80,930,900	3,375,600	3,966,400	8,348,200	2,480,400	* 2,032,125

* Deficit.

BOSTON BANKS.

DATES.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
Aug. 2.......	$186,245,000	$205,576,000	$16,930,000	$6,214,000	$4,995,000	$117,528,800
" 9.......	186,014,000	204,622,000	16,387,000	5,760,000	4,993,000	117,669,600
" 16.......	186,922,000	206,228,000	15,905,000	5,936,000	5,020,000	119,847,600
" 23.......	187,988,000	204,733,000	15,587,000	6,197,000	5,061,000	114,899,600
" 30.......	186,648,000	200,332,000	14,970,000	6,063,000	5,090,000	193,221,200

PHILADELPHIA BANKS.

DATES.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
Aug. 2..................	$185,040,000	$217,196,000	$57,278,000	$8,925,000	$135,179,200
" 9..................	186,622,000	217,552,000	56,687,000	8,913,000	93,268,500
" 16..................	187,526,000	218,673,000	56,548,000	8,925,000	94,327,600
" 23..................	188,361,000	219,791,000	56,645,000	9,029,000	108,116,500
" 30..................	189,170,000	219,973,000	56,836,000	9,037,000	93,988,700

MONEY RATES ABROAD.—There was no change in the posted rates of discount of any of the European banks and the Bank of England adheres to its three per cent. rate. Open market rates have generally been easy on the Continent. Discounts of 60 to 90 days bills in London at the close of the month were 2¾ @ 2⅞ per cent. against 2 9-16 @ 2⅝ per cent. a month ago. The open market at Paris was 1¾ @ 1⅞ per cent. againtst 2¼ per cent. a month ago, and at Berlin and Frankfort 1¾ @ 1⅞ per cent. against 1⅝ per cent. a month ago.

SILVER.—The price of silver in London last month ranged between 24 7-16 and 24⅛d. closing at the lower figure, a decline for the month of 5-16d.

MONTHLY RANGE OF SILVER IN LONDON—1900, 1901, 1902.

MONTH.	1900.		1901.		1902.		MONTH.	1900.		1901.		1902.	
	High	Low.	High	Low.	High	Low.		High	Low.	High	Low.	High	Low.
January..	27¾	27	29 3/16	27⅛	26 1/16	25⅝	July......	27¾	27⅝	28 3/16	27¾	24 9/16	24 3/16
February	27¾	27 5/16	28 7/16	27⅛	25⅝	25 5/16	August ..	27¾	27⅛	28 7/16	27 11/16	24 7/16	24⅛
March....	27 11/16	27 7/16	28 5/16	27 5/16	25 7/16	24 13/16	Septemb'r	27⅝	26 15/16	28 7/16	29¼	....	....
April.....	27⅝	27 5/16	27 13/16	26 13/16	24⅞	23 5/16	October..	26 15/16	26⅝	30 5/16	29⅛	....	....
May......	27⅝	27½	27⅝	27 5/16	24½	23 5/16	Novemb'r	27 5/16	26 11/16	29 15/16	29 7/16	....	....
June.....	28 3/16	27 3/16	27⅝	27¼	24 7/16	23 13/16	Decemb'r	27 7/16	26 15/16	29 15/16	29⅛	....	....

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	Asked.		Bid.	Asked.
Sovereigns & Bk. of Eng. notes	$4.86	$4.89	Mexican 20 pesos................	$19.50	$19.60
Twenty francs..................	3.87	3.90	Ten guilders......................	3.96	4.00
Twenty marks..................	4.75	4.78	Mexican dollars.................	.41¼	.43
Twenty-five pesetas............	4.78	4.81	Peruvian soles...................	.38½	.42
Spanish doubloons.............	15.55	15.65	Chilian pesos.....................	.38½	.42
Mexican doubloons.............	15.55	15.65			

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 24 7/16d. per ounce. New York market for large commercial silver bars, 52⅛ @ 53¾c. Fine silver (Government assay), 53 @ 54¼c. The official price was 52⅛c.

EUROPEAN BANKS.—The Bank of England held about the same amount of gold at the close of the month as at the beginning. The Bank of France gained $6,000,000 and the Bank of Germany lost about that amount. Russia gained $1,000,000 and Austria-Hungary $5,000,000. With the exception of the Bank of England all the principal European banks hold more gold than they did a year ago.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	July 1, 1902.		August 1, 1902.		September 1, 1902.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England...........	£38,930,659	....	£37,924,900	....	£37,928,138	....
France.............	102,808,038	£45,000,979	103,631,000	£44,875,449	104,996,830	£44,901,016
Germany...........	40,419,000	14,949,000	38,672,000	14,304,000	37,413,000	13,838,000
Russia..............	73,846,000	8,878,000	74,299,000	8,880,000	74,561,000	8,920,000
Austria-Hungary..	44,277,000	12,767,000	44,080,000	12,675,000	45,142,000	12,568,000
Spain...............	14,153,000	19,179,000	14,195,000	19,599,000	14,231,000	19,560,000
Italy...............	16,156,000	2,101,100	16,196,000	2,041,400	16,105,000	2,085,200
Netherlands.......	4,767,300	6,815,500	4,849,000	6,716,100	4,741,800	6,631,600
Nat. Belgium......	3,224,000	1,622,000	3,074,667	1,537,333	3,170,667	1,585,333
Totals..........	£338,599,997	£111,312,579	£336,921,690	£110,628,282	£338,289,435	£110,089,149

FOREIGN EXCHANGE.—Rates for sterling exchange declined during the month. The market was influenced by the local money market, the apprehension of tight money and the supply of commercial bills against grain and of drafts against cotton. The market was weak at the close of the month.

RATES FOR STERLING AT CLOSE OF EACH WEEK.

WEEK ENDED.	BANKERS' STERLING.		Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
	60 days.	Sight.			
Aug. 2...........	4.8545 @ 4.8555	4.8785 @ 4.8795	4.8825 @ 4.8835	4.85⅛ @ 4.85¼	4.84⅛ @ 4.85⅝
" 9...........	4.8550 @ 4.8560	4.8790 @ 4.8800	4.8830 @ 4.8840	4.85¼ @ 4.85⅜	4.84½ @ 4.85¾
" 16...........	4.8490 @ 4.8500	4.8730 @ 4.8740	4.8770 @ 4.8800	4.84½ @ 4.84⅝	4.83¾ @ 4.85
" 23...........	4.8440 @ 4.8450	4.8705 @ 4.8715	4.8740 @ 4.8750	4.84 @ 4.84⅛	4.83⅛ @ 4.84¾
" 29...........	4.8385 @ 4.8400	4.8660 @ 4.8670	4.8690 @ 4.8710	4.83⅛ @ 4.83¾	4.83 @ 4.84¼

NATIONAL BANK CIRCULATION.—There was some expansion in National bank circulation during the month, an increase of $2,298,507 in notes outstanding being reported. More than $4,000,000 additional bonds were deposited to secure circulation, some $1,600,000 being in bonds other than the two per cents. As more than $1,300,000 of the two per cents formerly deposited to secure Government bonds have been withdrawn and other issues substituted, it is possible that some of the banks are using these bonds as a basis for circulation.

NATIONAL BANK CIRCULATION.

	May 31, 1902.	*June 30, 1902.*	*July 31, 1902.*	*Aug. 31, 1902.*
Total amount outstanding	$356,747,184	$356,672,091	$358,984,184	$361,282,691
Circulation based on U. S. bonds	313,609,837	314,238,811	316,614,767	319,407,587
Circulation secured by lawful money	43,137,347	42,434,280	42,369,417	41,875,104
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	5,281,250	5,461,250	5,816,000	7,008,000
Five per cents. of 1894	343,400	455,900	605,900	610,900
Four per cents. of 1895	2,078,100	2,028,100	2,076,600	2,116,600
Three per cents. of 1898	3,310,080	3,210,080	3,272,580	3,995,580
Two per cents. of 1900	305,183,350	306,008,200	306,817,400	309,210,600
Total	$316,196,180	$317,163,580	$318,588,480	$322,941,680

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents of 1907, $10,651,000; 5 per cents. of 1894, $1,124,000; 4 per cents. of 1895, $8,126,750; 3 per cents. of 1898, $8,195,600; 2 per cents. of 1900, $95,659,800; District of Columbia 3.65's, 1924, $910,000; a total of $124,667,150

GOLD AND SILVER COINAGE.—The United States mints in August coined $8,040,000 gold, $2,236,000 silver and $211,110 minor coins, a total of $10,487,110. There were $1,778,000 standard silver dollars coined.

GOVERNMENT REVENUES AND DISBURSEMENTS —The deficit of $7,500,000 reported by the Treasury in July was partly offset by a surplus of nearly $5,500,000 in August, leaving a deficit of only about $2,000,000 for the first two months of the current fiscal year, as compared with a surplus of more than $6,000,000 in the corresponding two months of last year. The customs receipts are very heavy, reaching nearly $26,600,000 in August, or $5,000,000 more than in August last year. For the two months they were $51,000,000, an increase of $8,000,000.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	*August, 1902.*	*Since July 1, 1902.*
Customs	$26,582,231	$51,012,974
Internal revenue	17,525,368	39,143,493
Miscellaneous	4,498,213	7,755,036
Total	$48,605,812	$97,911,503
Excess of receipts	5,492,202	*2,015,675

EXPENDITURES.

Source.	*August, 1902.*	*Since July 1, 1902.*
Civil and mis	$8,686,649	$22,511,233
War	10,579,378	29,094,893
Navy	6,032,856	13,591,364
Indians	1,828,973	3,044,326
Pensions	13,662,888	25,155,522
Interest	2,322,866	6,529,840
Total	$43,113,610	$99,927,178

* Excess of expenditures.

UNITED STATES PUBLIC DEBT.—There was no change in the interest bearing debt during August and only a slight decrease in the non-interest-bearing debt. There was a further increase of about $5,000,000 in gold and silver certificates and a decrease of $1,000,000 in Treasury notes. The aggregate debt increased $3,600,000 and the total cash assets $11,500,000. The demand liabilities increased $6,000,000 and the cash balance $5,500,000. The total debt less cash in the Treasury shows a decrease for the month of more than $5,800,000 and now amounts to only about $968,000,000, or more than $1,000,000 less than it was on July 1.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1902.	*July 1, 1902.*	*Aug. 1, 1902.*	*Sept. 1, 1902.*
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent.......	$445,940,750	$445,910,750	$445,940,750	$445,940,750
Funded loan of 1907, 4 "	240,063,300	233,177,400	233,177,400	233,177,500
Refunding certificates, 4 per cent......	32,250	31,980	31,980	31.880
Loan of 1904, 5 per cent.................	20,060,150	19,410,350	19,410,350	19,410,350
" 1925, 4 "	139,618,600	134,994,200	134,994,200	134,994,200
Ten-Twenties of 1898, 3 per cent........	97,564,160	97,515,660	97,515,660	97,515,660
Total interest-bearing debt...........	$943,279,210	$931,070,340	$931,070,340	$931,070,340
Debt on which interest has ceased... ...	1,339,790	1,280,860	1,276,810	1,257,490
Debt bearing no interest:				
Legal tender and old demand notes.....	346,734,863	346,734,863	346,734,863	364,734,863
National bank note redemption acct..	35,003,208	42,071,969	41,929,629	41,646,805
Fractional currency.....................	6,874,492	6,873,323	6,873,323	6,873,323
Total non-interest bearing debt......	$388,612,563	$395,680,156	$395,537,816	$395,254,991
Total interest and non-interest debt.	1,333,231,564	1,328,031,356	1,327,884,966	1,327,582,822
Certificates and notes offset by cash in the Treasury:				
Gold certificates.........................	316,785,089	346,582,089	356,985,089	359,390,089
Silver "	456,087,000	453,997,000	456,217,000	458,785,000
Treasury notes of 1890	38,596,000	30,000,000	28,763,000	27,701,000
Total certificates and notes...........	$811,468,089	$830,579,089	$841,965,089	$845,876,089
Aggregate debt	2,144,699,653	2,158,610,445	2,169,850,055	2,173,458,910
Cash in the Treasury:				
Total cash assets	1,219,631,721	1,270,819,710	1,278,479,598	1,290,048,680
Demand liabilities.......................	898,028,443	912,245,594	924,504,999	930,552,180
Balance	$321,603,278	$358,574,115	$353,974,599	$359,491,500
Gold reserve.............................	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance.........................	171,603,278	208,574,115	203,974,599	209,491,500
Total.................................. ...	$321,603,278	$358,574,115	$353,974,599	$359,491,500
Total debt, less cash in the Treasury.	1,011,628,286	969,457,241	973,910,367	968 091,822

MONEY IN CIRCULATION IN THE UNITED STATES.—The volume of money in circulation increased $4,300,000 last month, gains b ing shown in gold coin, silver dollars, subsidiary silver, silver certificates, United States notes and National bank notes. There was a reduction of more than $8,000,000 in gold certificates.

MONEY IN CIRCULATION IN THE UNITED STATES.

	June 1, 1902.	*July 1, 1902.*	*Aug. 1, 1902.*	*Sept. 1, 1902.*
Gold coin.................................	$631,801,627	$629,271,582	$631,156,438	$632,209,118
Silver dollars............................	68,875,764	68,621,718	68,906,465	70,984,675
Subsidiary silver.........................	82,638,865	82,814,940	86,222,459	87,415,287
Gold certificates.........................	306,142,869	307,110,929	314,764,019	3 6,644,939
Silver certificates.......................	447,949,416	446,650,243	447,445,542	452,857,023
Treasury notes, Act July 14, 1890........	31,142,677	29,862,445	28,685,585	27,622,750
United States notes......................	338,144,737	336,265 855	337,428,669	341,141,774
National bank notes......................	347,630,020	345,931,750	346,046,965	346,557,379
Total.....................................	$2,254,415,975	$2,2 6,529,412	$2,260,606,137	$2,264,932,945
Population of United States.............	79,003,000	79,117,000	79,230,000	79,344,000
Circulation per capita...................	$28.54	$28.40	$28.53	$28.55

SUPPLY OF MONEY IN THE UNITED STATES.

	June 1, 1902.	*July 1, 1902.*	*Aug. 1, 1902.*	*Sept. 1, 1902.*
Gold coin and bullion	$1,184,588,889	$1,188,573,584	$1,193,925,457	$1,203,511,751
Silver dollars............................	539,120,994	540,027,054	541,077,054	542,855,054
Silver bullion............................	30,870,792	29,960,039	28,368,763	27,209,244
Subsidiary silver.........................	95,432,492	96,856,985	98,225,389	97,766,461
United States notes......................	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes......................	356,747,184	356,672,091	358,984,184	361,282,691
Total.....................................	$2,553,441,367	$2,558,770,769	$2,567,261,863	$2,579,206,217

Certificates and Treasury notes represented by coin, bullion, or currency in Treasury are not included in the above statement.

Supply of Money in the United States.—The total stock of money in the country increased $12,000,000 in August, $9,500,000 being in gold and $2,300,000 in National bank notes. There was a slight net gain in silver through the operations of coinage of Treasury bullion.

Money in the United States Treasury.—The United States Treasury gained in total cash last month more than $3,000,000 and by reducing outstanding certificates and Treasury notes more than $4,000,000, the net cash in the Treasury was increased $7,700,000.

Money in the United States Treasury.

	June 1, 1902.	*July 1, 1902.*	*Aug. 1, 1902.*	*Sept. 1, 1902.*
Gold coin and bullion	$552,697,262	$539,302,052	$562,769,024	$571,302,633
Silver Dollars	470,245,230	471,405,336	472,170,589	471,870,379
Silver bullion	30,870,792	29,960,039	28,368,763	27,209,244
Subsidiary silver	12,793,627	14,042,045	12,002,930	10,351,174
United States notes	8,536,279	10,415,161	9,252,347	5,539,242
National bank notes	9,117,164	10,740,341	12,937,219	14,725,312
Total	$1,084,260,354	$1,095,864,974	$1,097,500,872	$1,100,997,984
Certificates and Treasury notes, 1890, outstanding	785,234,962	783,623,617	790,845,146	786,624,712
Net cash in Treasury	$299,025,392	$312,241,357	$306,655,726	$314,373,272

Foreign Trade.—The exports of merchandise in July fell slightly below those of June and were the smallest for any month since April, 1899. They show a loss compared with a year ago of nearly $21,000,000. This loss is fully accounted for in the decreased movement in the principal domestic products, breadstuffs showing a loss of nearly $13,000,000, provisions of $4,500,000, cotton $4,500,000 and petroleum $700,000. Imports of merchandise were valued at more than $79,000,000, or only $9,600,000 less than the exports. This balance is the smallest reported since June, 1897. The imports were more than $6,000,000 larger than in July a year ago, and are the largest reported for that month, we believe, in any year. They are the largest for any month this year excepting March last. The trade movement for the present calendar year shows very important changes. The exports have fallen off $104,000,000 compared with last year, while the imports have increased $29,000,000, causing a decrease in the balance of trade of $133,000,000. The exports exceed the imports this year by only about $191,000,000 as compared with $324,000,000 in the previous year. It is the smallest balance since 1897.

Exports and Imports of the United States.

Month of July.	Merchandise.			Gold Balance.	Silver Balance.
	Exports.	*Imports.*	*Balance.*		
1897	$71,103,968	$53,674,759	Exp., $17,429,209	Exp., $4,523,918	Exp., $2,011,290
1898	72,525,049	50,984,381	" 21,540,668	Imp., 1,144,655	" 2,231,176
1899	94,926,170	60,101,744	" 34,824,426	" 289,012	" 1,271,676
1900	100,452,807	63,659,692	" 36,793,115	" 7,990,593	" 1,569,565
1901	109,452,510	73,082,435	" 36,370,075	" 1,200,993	" 1,276,674
1902	88,807,960	79,206,220	" 9,601,740	" 6,076,387	" 1,215,267
Seven Months.					
1897	560,872,280	506,481,172	Exp., 54,391,108	Exp., 23,391,986	Exp., 15,117,780
1898	694,066,646	377,245,219	" 316,821,427	Imp., 87,515,459	" 13,936,134
1899	687,944,803	448,546,623	" 239,398,180	Exp., 3,876,665	" 13,954,909
1900	812,486,551	503,078,345	" 309,408,206	" 5,824,212	" 13,090,963
1901	831,305,132	506,523,539	" 324,781,593	" 12,362,263	" 14,575,410
1902	727,004,123	535,548,362	" 191,455,761	" 13,165,280	" 11,522,563

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of August, and the highest and lowest during the year 1902, by dates, and also, for comparison, the range of prices in 1901:

	Year 1901.		Highest and Lowest in 1902.		August, 1902.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	91	42¼	95¾—Aug. 28	74¼—Jan. 27	95¾	91	95⅛
" preferred	108	70	105 —Aug. 29	95⅛—Jan. 27	105	101⅝	104⅜
Baltimore & Ohio	114⅛	81¾	115¾—Aug. 26	101 —Jan. 14	115¾	108¾	114⅛
Baltimore & Ohio, pref.	97	83⅜	97 —Jan. 2	93¾—Feb. 21	97	95	95¼
Brooklyn Rapid Transit	88⅞	55⅞	72⅜—July 21	60⅞—Feb. 14	70⅛	67⅞	67¾
Canadian Pacific	117⅛	87	143 —Aug. 29	112¼—Jan. 28	143	135¾	142¾
Canada Southern	89	54⅛	97 —May 22	85⅛—Jan. 6	92⅛	88⅛	90
Central of New Jersey	196⅝	145¾	198 —Jan. 6	180½—July 7	186⅞	184	186⅞
Ches. & Ohio vtg. ctfs.	52⅝	29	57⅜—July 18	45 —Feb. 20	56⅞	53⅜	55¼
Chicago & Alton	50⅛	27	45⅜—July 16	33⅛—Jan. 14	44⅛	41⅛	43⅛
" preferred	82¼	72⅛	79 —July 17	74⅛—June 27	77¼	75⅝	76¾
Chicago & E. Illinois	140	91	220¾—July 30	134¾—Jan. 6	219	210	210
" preferred	136	120⅛	151 —July 1	137 —Jan. 10	....	....	....
Chicago, Great Western	27	16	35 —Aug. 20	22⅜—Jan. 25	35	31	34⅛
Chic., Indianapolis & Lou'ville	52⅞	23	80 —May 7	49¼—Jan. 14	77¼	75	77¼
" preferred	77¾	58¾	91¼—Aug. 19	75 —Jan. 16	91¼	88	90
Chic., Milwaukee & St. Paul	188	134	189⅜—July 25	160⅛—Jan. 27	188¾	184⅝	186⅛
" preferred	200	175	196½—Apr. 4	186 —Jan. 14	195½	192¾	194
Chicago & Northwestern	215	168⅛	271 —Apr. 29	204⅛—Jan. 14	244⅛	239	240⅛
" preferred	248	207	274⅛—Apr. 29	230 —Jan. 18	....	....	....
Chicago, Rock I. & Pacific	175¼	117½	200¼—July 28	152 —Jan. 15	192	181	185⅞
Chic., St. Paul, Minn. & Om.	146¾	125	170½—Apr. 30	140 —Feb. 6	167	162	163
" preferred	201	180	210 —Apr. 15	195 —Mar. 6	....	....	....
Chicago Terminal Transfer	31	10⅛	24⅞—Aug. 19	15¼—Feb. 21	24⅞	21¾	23
" preferred	57½	33	42⅜—Aug. 19	30¼—Feb. 20	42⅜	39	40
Clev., Cin., Chic. & St. Louis	101	72⅛	108⅜—Aug. 8	95⅛—Jan. 14	108⅜	104⅛	106¼
Col. Fuel & Iron Co.	136½	41¾	110½—Apr. 24	73¾—Aug. 22	93	73¾	82⅛
Colorado Southern	18	6⅝	35¾—July 17	14⅛—Jan. 15	35	32⅛	34⅛
" 1st preferred	60	40	79½—Aug. 11	59¼—Jan. 15	79½	77	78¾
" 2d preferred	28¾	16⅛	53¾—Aug. 29	28 —Jan. 14	53¾	47¾	53
Consolidated Gas Co.	238	187	230¾—Apr. 25	213 —Jan. 16	225½	222⅛	224
Delaware & Hud. Canal Co.	185½	105	184½—Jan 7	170 —Mar. 11	181	177½	179
Delaware, Lack. & Western	258	188¼	297 —Feb. 4	258 —Jan. 15	281½	276	281½
Denver & Rio Grande	53½	29½	51¾—Aug. 21	41 —Apr. 7	51¾	44	49¼
" preferred	103¼	80	96¾—Aug. 21	88¾—May 19	96¾	92¾	94⅞
Erie	45½	24⅛	44⅝—Jan. 2	35⅜—May 19	42¼	38¼	41⅛
" 1st pref	75	59¾	75¾—Jan. 2	65¾—May 19	71¼	68	70⅝
" 2d pref	62¾	39¼	63¾—Jan. 2	51 —May 17	58	53	57
Evansville & Terre Haute	68	41	74⅜—Mar. 7	50 —Mar. 26	71	60½	66⅛
Express Adams	202	145	230 —Aug. 28	198 —July 11	230	205	230
" American	219	170	265 —Aug. 28	210 —Jan. 6	265	234½	262
" United States	100	53	160 —Aug. 28	97 —Jan. 2	160	122	155
" Wells, Fargo	199¾	130	251 —Aug. 29	185 —Jan. 24	251	215	251
Great Northern, preferred	208	167½	198 —Aug. 29	181½—Mar. 5	198	191	198
Hocking Valley	75½	40½	106 —Aug. 8	66 —Jan. 15	106	98½	100
" preferred	88½	69¾	97¼—Aug. 7	81⅛—Jan. 14	97¼	91⅛	93¾
Illinois Central	154¾	124	173½—Aug. 27	137 —Jan. 14	173½	164	171¾
Iowa Central	43¾	21	51¾—Aug. 21	37½—Jan. 15	51¾	47⅝	51
" preferred	87½	48	90⅜—Apr. 28	71 —Jan. 14	88½	84	88
Kansas City Southern	25	13⅛	39 —Aug. 25	19 —Jan. 15	39	35⅝	38¼
" preferred	49	35	62¾—Apr. 21	44 —Jan. 14	61⅞	59	61
Kans. City Ft. S. & Mem. pref.	81¼	77½	88 —Aug. 1	80⅞—Jan. 2	88	84	85¼
Lake Erie & Western	76½	39¾	71½—Jan. 3	64 —Jan. 15	67	65	66⅞
" preferred	135½	108⅛	138 —Feb. 6	125 —Jan. 15	....	....	....
Long Island	90	67	91⅞—May 2	78¾—Jan. 15	86⅛	85	85
Louisville & Nashville	111¾	76	159½—Aug. 20	102⅛—Jan. 27	159½	144	154¼
Manhattan consol	145	83	140⅜—Jan. 9	128 —Mar. 12	137	133	135½
Metropolitan Street	177	150	174 —Feb. 5	146 —May 12	150½	147	148
Mexican Central	30	12¾	31⅛—Mar. 31	25⅞—Jan. 15	30¾	29¼	29¾
Mexican National	15¼	3⅝	20¾—Mar. 10	14⅛—Jan. 15	....	....	....
Minneapolis & St. Louis	111¼	67¾	115 —Apr. 19	105 —Jan. 27	113¾	112⅛	113¾
" preferred	124	101¾	127¾—Apr. 28	118½—Jan. 22	126½	126	126
Missouri, Kan. & Tex.	35½	15	33⅞—Aug. 29	24 —Mar. 5	33⅞	30½	33⅝
" preferred	68⅝	37	68 —Aug. 28	51 —Jan. 13	68	62⅛	67¾

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1901.		Highest and Lowest in 1902.		August, 1902.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Missouri Pacific	124⅛	69	119⅝—Aug. 15	96¼—Mar. 11	119⅝	115⅝	116¾
N. Y. Cent. & Hudson River	174½	139⅝	168⅞—Jan. 2	153½—May 19	166	163	163½
N. Y., Chicago & St. Louis	57⅞	16	57⅝—Aug. 8	46½—Jan. 15	57⅝	55	56¼
" 2d preferred	95	47	100 —Aug. 7	84 —Feb. 4	100	90¾	93
N. Y., Ontario & Western	40⅛	24	36¾—Aug. 25	32 —Mar. 11	36¾	33¾	35¾
Norfolk & Western	61⅝	42	73¾—Aug. 29	55 —Jan. 14	73¾	64¼	73¼
" preferred	92¼	82	98 —July 23	90 —Feb. 21	94	93	94
North American Co.	109	73½	132¾—Apr. 29	88 —Jan. 28	124¾	121	122¼
Pacific Mail	49½	30½	49⅝ - Mar. 10	37½—May 17	44⅞	39¾	43¼
Pennsylvania R. R.	161½	137½	163¼—Aug. 27	147 —Jan. 14	163¼	158⅞	162¾
People's Gas & Coke of Chic.	120½	95¾	107 —July 23	98¼—Jan. 9	106½	102	104
Pullman Palace Car Co.	225	195½	250 —Apr. 29	215 —Jan. 13	246	240	241
Reading	58	24½	70⅛—Aug. 27	52¼—Mar. 10	70⅛	66⅝	69¾
" 1st prefered	82⅞	65	88 —Aug. 27	79⅞—Mar. 10	88	85⅞	87¼
" 2d preferred	64½	38	76¼—Aug. 27	60 —Jan. 14	76¼	72¾	76
St. Louis & San Francisco	56½	21½	85½—July 31	53¾ - Jan. 2	82½	78	80
" 1st preferred	88	75	90 —July 30	82⅞—July 19	89	86	86
" 2d preferred	76¼	53⅛	80⅝—July 30	70½—May 15	79¼	76	76¼
St. Louis & Southwestern	39½	16	39 —Aug. 13	24¾—Mar. 6	39	35	37½
" preferred	71	41½	79¼—Aug. 23	55¼—Mar. 5	79¼	67½	78
Southern Pacific Co.	63⅝	29	77⅞—Aug. 25	58 —Jan. 15	77⅞	68½	77¼
Southern Railway	35¾	18	41⅜—Aug. 21	31⅞—Jan. 27	41⅜	39⅛	39⅞
" preferred	94⅝	67¼	98½—Apr. 15	92 —Jan. 14	98½	96	96½
Tennessee Coal & Iron Co.	76⅝	49⅝	74⅝—Apr. 24	61½—Jan. 14	71⅝	67	70½
Texas & Pacific	52¼	23¼	54 —Aug. 21	37⅛—Jan. 15	54	44½	53⅛
Toledo, St. Louis & Western	25⅛	10¾	32½—Aug. 18	18½—Jan. 21	32½	21½	32¼
" preferred	39½	28	49⅜—Aug. 29	35 —Jan. 15	49⅜	38	48⅞
Union Pacific	133	76	113¼—Aug. 26	98⅜—Feb. 28	113¼	107	112⅞
" preferred	99½	81⅝	95 —Aug. 29	86⅝—Mar. 6	95	91¾	94
Wabash R. R.	26	11½	34½—Aug. 27	21¾—Jan. 14	34½	30	33⅞
" preferred	46⅛	23¾	49 —Aug. 20	41½—Jan. 13	49	45¾	48¼
Western Union	100¼	81	97½—Aug. 26	84¾—July 10	97½	87¼	95½
Wheeling & Lake Erie	22	11⅜	28½—Aug. 29	17 —Jan. 27	28½	23	28
" second preferred	38	24	41½—Aug. 26	28 —Jan. 14	41½	36⅝	41½
Wisconsin Central	26	14½	31 —Aug. 20	19⅛—Jan. 30	31	27¾	30⅛
" preferred	48¾	38½	57⅝—Aug. 29	39½ - Jan. 24	57⅝	50⅛	56¾
"INDUSTRIAL"							
Amalgamated Copper	130	60½	79 —Feb. 1	61 —Mar. 25	68⅝	65	67⅝
American Car & Foundry	35	19	34¾—Aug. 25	28¼—Apr. 11	34¾	32	34½
" pref.	89	67	92¾—Aug. 8	85¼—Jan. 14	92¾	91½	92¼
American Co. Oil Co.	35½	24	57¾—Apr. 28	30½—Jan. 10	51½	50	50
American Ice	41⅜	25¾	31⅞—Jan. 2	9½—July 11	13⅝	10¾	12½
American Locomotive	37⅞	22½	36⅞—Apr. 29	23⅝—May 19	34⅝	31½	33¾
" preferred	91¼	83⅝	100¼—Apr. 29	89 —Jan. 3	96	93	95¾
Am. Smelting & Refining Co.	69	38½	49⅝—May 26	43½—Apr. 22	48¾	46	46
" preferred	104⅞	88	100½—June 23	95 —Apr. 30	98	67	97
American Sugar Ref. Co.	153	103⅛	135⅛—Mar. 31	116¼—Jan. 6	134	131⅛	131⅝
Anaconda Copper Mining	54¼	28¼	146 —Feb. 1	95½—July 14	106	101	104
Continental Tobacco Co. pref.	124	93¼	126½—June 8	115 —Jan. 2	125¾	121	124¼
Distilling Co. of America	10½	6⅞	10 —Feb. 3	4 —Aug. 16	5⅞	4	5
" preferred	34½	23¼	42¾—Apr. 4	31¾—Aug. 19	38¼	31¾	37
General Electric Co.	289¾	183½	334 —Apr. 9	181¾ - July 28	196½	184	196
Glucose Sugar Refinding Co.	65	37	51½—Jan. 20	39⅜—Jan. 3	....	....	....
International Paper Co.	28	18½	23⅝—Mar. 20	19 —Jan. 14	23	19½	20¼
" preferred	81½	69	77⅛—Jan. 6	72⅝—June 24	75⅝	73⅜	74
International Power	100½	51⅞	199 —Apr. 29	55 —June 4	70	67	70
National Biscuit	46	37	53¼—Mar. 20	43⅝—Jan. 14	48	47⅜	47¾
National Lead Co.	25½	15	26 —Aug. 13	15⅜—Jan. 13	26	21¼	24¼
Pressed Steel Car Co.	52	30	51¾—Aug. 29	39 —Jan. 14	51¾	46½	51⅝
Republic Iron & Steel Co.	24	11¾	21½—Aug. 23	15⅝—Jan. 2	21½	18½	21⅛
" preferred	82	55¼	78⅞—Aug. 27	68 —Jan. 16	78⅞	75¾	78½
U. S. Leather Co.	16⅝	7¾	14¾—Apr. 3	11⅛—Feb. 20	13⅞	12⅞	13½
" preferred	83¾	69½	87⅞—Aug. 28	79⅞—Jan. 21	87⅞	85¼	87½
U. S. Rubber Co.	34	12½	19¼—Apr. 14	14 —Jan. 2	16¾	15	16½
" preferred	85	47	64 —Mar. 24	50½—Jan. 14	57¼	56	56
U. S. Steel	55	24	46¾—Jan. 7	36¾—June 19	41⅝	39⅜	41⅛
" pref.	101⅞	69	97¾—Jan. 7	87½—June 19	90¾	89¼	90⅛

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

Last Sale, Price and Date and Highest and Lowest Prices and Total Sales for the Month.

Note.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	August Sales. High.	August Sales. Low.	August Sales. Total.
Ann Arbor 1st g 4's	1995	7,000,000	Q J	99½	Aug.27,'02	100	99½	32,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	138,117,500	A & O	104⅜	Aug.29,'02	104½	103¾	501,500
" registered			A & O	102¾	June26,'02			
" adjustment, g. 4's	1995	31,055,000	NOV	96¾	Aug.29,'02	97	96½	77,000
" registered			NOV	94½	Apr. 15,'02			
" stamped	1995	20,673,000	M & N	95	Aug.29,'02	95	94½	379,000
" serial debenture 4's—								
" series A	1903	2,500,000	F & A	97	Aug. 5,'02	97	97	3,000
" registered			F & A					
" series B	1904	2,500,000	F & A					
" registered			F & A					
" series C	1905	2,500,000	F & A					
" registered			F & A					
" series D	1906	2,500,000	F & A					
" registered			F & A					
" series E	1907	2,500,000	F & A					
" registered			F & A					
" series F	1908	2,500,000	F & A					
" registered			F & A					
" series G	1909	2,500,000	F & A					
" registered			F & A					
" series H	1910	2,500,000	F & A					
" registered			F & A					
" series I	1911	2,500,000	F & A					
" registered			F & A					
" series J	1912	2,500,000	F & A					
" registered			F & A					
" series K	1913	2,500,000	F & A					
" registered			F & A					
" series L	1914	2,500,000	F & A	95¼	Apr. 28,'02			
" registered			F & A					
" Chic. & St. L. 1st 6's	1915	1,500,000	M & S					
Atl. Knox. & Nor. Ry. 1st g. 5s	1946	1,000,000	J & D	108¼	Dec. 20,'91			
Balt. & Ohio prior lien g. 3½s	1925	69,798,000	J & J	94½	Aug.29,'02	95⅝	94¼	188,500
" registered			J & J	97	Apr. 26,'02			
" g. 4s	1948	65,963,000	A & O	104½	Aug.29,'02	104½	102¾	211,000
" g. 4s. registered			A & O	102½	Feb. 19,'02			
" ten year c. deb. g. 4's	1911	6,541,000	M & S	114¼	Aug.28,'02	116	109¼	662,000
Pitt Jun. & M. div. 1st g. 3½s.	1925	11,293,000	M & N	90¾	Aug.27,'02	91½	90	25,000
" registered			QFeb					
Pitt L. E. & West Va. System refunding g 4s	1941	20,000,000	M & N	98½	Aug.18,'02	98⅞	98½	96,000
" Southw'n div. 1st g. 3½s	1925	41,990,000	J & J	90	Aug.28,'02	90½	90	181,500
" registered			Q J	90¼	July 16,'01			
Monongahela River 1st g. g., 5's	1919	700,000	F & A	114¼	June27,'02			
Cen. Ohio. Reorg. 1st c. g. 4½'s,	1930	1,018,000	M & S	112	Nov.14,'99			
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,427,000	M & S	118	Aug.12,'02	118½	117	10,000
Alleghany & Wn. 1st g. gtd 4's	1998	2,000,000	A & O					
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	128	June 6,'02			
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	130	May 20,'02			
" cons. 1st 6's,	1922	3,920,000	J & D	127	Aug.13,'02	127	126½	3,000
Buffalo & Susquehanna 1st g. 5's,	1913	575,000	A & O	100	Nov. 18,'99			
" registered			A & O					
" 1st refundg g. 4's	1951	3,021,000	J & J	103	June16,'02			
" registered			J & J					
Burlington, Cedar R. & N. 1st 5's,	1906	6,500,000	J & D	104⅛	Aug.21,'02	104½	103⅞	7,500
" con. 1st & col. tst 5's	1934	7,803,000	A & O	124⅜	July 8,'02			
" registered			A & O	124⅝	Feb. 28,'02			
Ced. Rap Ia. Falls & Nor. 1st 5's.	1921	1,905,000	A & O	118	Jan. 27,'02			
Minneap's & St. Louis 1st 7's, g,	1927	150,000	J & D	140	Aug.24,'95			

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME. Principal Due	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	AUGUST SALES. High.	Low.	Total.
Canada Southern 1st int. gtd 5's, 1908	14,000,000	J & J	105¼	Aug.21,'02	105¼	104⅞	48,000
" 2d mortg. 5's, ...1913	6,000,000	M & S	110⅛	Aug.16,'02	110⅛	110	32,000
" registered..................		M & S	107	Aug. 5,'01	....	....	....
Central Branch U. Pac. 1st g. 4's. 1948	2,500,000	J & D	93	June 3,'02	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's, 1987	4,880,000	M & N	109	July 24,'02	....	....	....
Central R'y of Georgia, 1st g. 5's. 1945	7,000,000	F & A	122	May 27,'02	....	....	....
" registered $1,000 & $5,000		F & A	....		....	....	....
" con. g. 5's..............1945	16,700,000	M & N	110¼	Aug.29,'02	111⅝	109	325,000
" con. g. 5's, reg. $1,000 & $5,000		M & N	105½	Sept.18,'01	....	....	....
" 1st. pref. inc. g. 5's......1945	4,000,000	OCT 1	82½	Aug.29,'02	86	77	1,253,000
" 2d pref. inc. g. 5's.......1945	7,000,000	OCT 1	39¾	Aug.29,'02	44⅛	36	2,378,000
" 3d pref. inc. g. 5's.......1945	4,000,000	OCT 1	27¼	Aug.29,'02	30	26	794,000
" Chat. div. pur. my. g. 4's. 1951	1,840,000	J & D	92	Aug.21,'02	92	92	2,000
" Macon & Nor. Div. 1st g. 5's..................1946	840,000	J & J	95	Dec. 27,'99	....	....	....
" Mid. Ga. & Atl. div. g 5s. 1947	413,000	J & J	102	June29,'99	....	....	....
" Mobile div. 1st g. 5's....1946	1,000,000	J & J	112½	Apr. 30,'02	....	....	....
Central Railroad of New Jersey, 1st convertible 7's..1902	1,167,000	M & N	101¼	May 24,'02	....	....	....
" gen. g. 5's..........1987	43,924,000	J & J	136	Aug.28,'02	136½	136	56,000
" registered.............		Q J	135¾	Aug. 6,'02	135¾	135¾	2,000
Am. Dock & Improvm't Co. 5's, 1921	4,987,000	J & J	113⅝	Aug.21,'02	113⅝	112⅝	7,000
Lehigh & H. R. gen. gtd g. 5's..1920	1,062,000	J & J	.. ..		....	....	....
Lehigh & W.-B. Coal con. 5's...1912	2,691,000	Q M	106	Mar. 27,'02	....	....	....
" con. extended gtd. 4½'s. 1910	12,175,000	Q M	102⅞	Aug.25,'02	102⅞	102½	12,000
N.Y. & Long Branch gen. g. 4's. 1941	1,500,000	M & S	....		....	....	....
Charleston & Sav. 1st g. 7's.......1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
Ches. & Ohio 6's, g., Series A.......1908	2,000,000	A & O	112	May 27,'02	....	....	....
" Mortgage gold 6's......1911	2,000,000	A & O	114½	June2?,'02	....	....	....
" 1st con. g. 5's............1939	25,858,000	M & N	120½	Aug.29,'02	120½	119¾	61,000
" registered....................		M & N	116	July 16,'01	....	....	....
" Gen. m. g. 4½'s..........1992	32,833,000	M & S	108½	Aug.28,'02	108¾	108	251,000
" registered....................		M & S	108	Apr. 18,'01	....	....	....
" Craig Val. 1st g. 5's.....1940	650,000	J & J	116	June17,'02	....	....	....
" (R. & A. d.) 1st c. g. 4's, 1989	6,000,000	J & J	105½	June20,'02	....	....	....
" 2d con. g. 4's............1989	1,000,000	J & J	99½	July 21,'02	....	....	....
" Warm S. Val. 1st g. 5's, 1941	400,000	M & S	102¼	Feb. 20,'02	....	....	....
Greenbrier Ry. 1st gtd. 4's.....1940	2,000,000	M & N	....		....	....	....
Chic. & Alton R. R. s. fund g. 6's. 1903	1,671,000	M & N	102⅝	July 10,'02	....	....	....
" refunding g. 3's......1949	29,696,000	A & O	85	Aug.22,'02	85	84½	16,000
" " registered.....		A & O	....		....	....	....
Chic. & Alton Ry 1st lien g. 3½'s. 1950	22,000,000	J & J	81⅞	Aug.29,'02	83½	81¾	197,000
" registered................		J & J	83¾	Apr. 16,'02	....	....	....
Chicago, Burl. & Quincy con. 7's. 1903	21,699,000	J & J	103½	Aug.28,'02	103⅝	103	6,000
" Chic. & Iowa div. 5's....1905	2,320,000	F & A	104¾	Apr. 11,'19'	....	....	....
" Denver div. 4's..........1922	5,272,000	F & A	100½	Aug. 7,'02	100¾	100½	9,000
" Illinois div. 3½s.........1949	26,214,000	J & J	99¾	Aug.27,'02	99¾	99	28,000
" registered..................		J & J	....		....	....	....
" (Iowa div.) sink. f'd 5's, 1919	2,566,000	A & O	114⅝	Aug. 6,'02	114⅝	114⅝	15,000
" 4's.......................1919	8,390,000	A & O	104⅝	July 1,'02	....	....	....
" Nebraska extensi'n 4's, 1927	25,900,000	M & N	107¾	Aug.28,'02	109	107¾	26,000
" registered..................		M & N	112¾	Apr. 17,'01	....	....	....
" Southwestern div. 4's..1921	2,850,000	M & S	100	Mar. 20,'02	....	....	....
" 4's joint bonds..........1921	215,153,000	J & J	96	Aug.29,'02	96	95¾	1,657,000
" " registered		Q JAN	95⅝	Aug.27,'02	96	95⅝	17,000
" 5's, debentures..........1913	9,000,000	M & N	108⅝	Aug.27,'02	108¾	108⅝	21,000
Han. & St. Jos. con. 6's.......1911	8,000,000	M & S	119	July 9,'02	....	....	....
Chicago & E. Ill. 1st s. f'd c'y. 6's. 1907	2,989,000	J & D	111¼	Aug.26,'02	111¼	111¼	1,000
" small bonds..............		J & D	112	Apr. 2,'96	....	....	....
" 1st con. 6's, gold......1934	2,653,000	A & O	139⅞	July 31,'02	....	....	....
" gen. con. 1st 5's.......1937	12,986,000	M & N	123⅞	Aug.27,'02	124	123⅝	9,000
" registered.................		M & N	124¾	Mar. 31,'02	....	....	....
Chicago & Ind. Coal 1st 5's 1936	4,626,000	J & J	125	May 6,'02	....	....	....
Chicago, Indianapolis & Louisville.							
" refunding g. 6's...........1947	4,700,000	J & J	132	Aug. 4,'02	132	132	6,000
" ref. g. 5's................1947	3,842,000	J & J	116	Aug.19,'02	116	116	2,000
Louisv. N. Alb. & Chic. 1st 6's..1910	3,000,000	J & J	115	May 9,'02	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highes and lowest prices and total sales for the month.

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NAME. Principal Due.	Amount.	Int'st paid.	LAST SALE. Price.	Date.	AUGUST SALES. High.	Low.	Total.
Chicago, Milwaukee & St. Paul.							
Chicago Mil. & St. Paul con. 7's, 1905	2,606,000	J & J	189	Aug.20,'02	189	189	3,000
" terminal g. 5's.........1914	4,748,000	J & J	112¼	Aug.28,'02	112¼	112⅛	6,000
" gen. g. 4's, series A....1989	23,676,000	J & J	114⅛	July 11,'02	....	....	....
" registered..................	....	Q J	105½	Feb. 19,'98	....	....	....
" gen. g. 3½'s, series B.1989	2,500,000	J & J	104¾	Jan. 29,'02	....	....	....
" registered..................		J & J	....		....	....	....
" Chic. & Lake Sup. 5's, 1921	1,360,000	J & J	120½	Mar. 31,'02	....	....	....
" Chic. & M. R. div. 5's, 1926	3,083,000	J & J	124⅛	Apr. 29,'02	....	....	....
" Chic. & Pac. div. 6's, 1910	3,000,000	J & J	114¼	Aug. 4,'02	114¼	114¼	4,000
" 1st Chic. & P. W. g. 5's.1921	25,340,000	J & J	117⅞	Aug.28,'02	117⅞	117¾	9,000
" Dakota & Gt. S. g. 5's.1916	2,856,000	J & J	118¾	July 12,'02	....	....	....
" Far. & So. g. 6's assu...1924	1,250,000	J & J	137½	July 18,'98	....	....	....
" 1st H'st & Dk. div. 7's, 1910	5,680,000	J & J	120⅝	Aug.19,'02	120⅝	120⅝	1,000
" 1st 5's 1910	990,000	J & J	107⅝	Aug.28,'02	107⅝	107⅝	9,000
" 1st 7's, Iowa & D, ex, 1908	1,226,000	J & J	182½	Jan. 22,'02	....	....	....
" 1st 5's, La. C. & Dav...1919	2,500,000	J & J	118¾	May 26,'02	....	....	....
" Mineral Point div. 5's, 1910	2,840,000	J & J	108⅛	July 16,'02	....	....	....
" 1st So. Min. div. 6's....1910	7,432,000	J & J	114½	Aug. 8,'02	114½	114¼	9,000
" 1st 6's, Southw'n div., 1909	4,000,000	J & J	115	Mar. 4,'02	....	....	....
" Wis. & Min. div. g. 5's.1921	4,755,000	J & J	117⅝	Aug.19,'02	117⅝	117⅝	1,000
" Mil. & N. 1st M. L. 6's.1910	2,155,000	J & D	117	Mar. 19,'02	....	....	....
" 1st con. 6's.............1913	5,092,000	J & D	120½	Aug. 5,'02	120⅛	120⅛	1,000
Chic. & Northwestern con. 7's...1915	12,832,000	Q F	135	Aug.12,'02	135	135	7,000
" gold 7's.................1902	7,293,000	J & D	101⅝	Aug.21,'02	101¾	101⅝	2,000
" registered gold 7's....1902		J & D	101⅝	June14,'02	....	....	....
" extension 4's.....1886-1926	18,632,000	F A 15	107½	Aug.25,'02	107⅛	107⅛	8,000
" registered.................		F A 15	107	Mar. 7,19'	....	....	....
" gen. g. 3½'s...........1987	13,082,000	M & N	106⅛	June24,'02	....	....	....
" registered		Q F	108	Nov.19,'98	....	....	....
" sinking fund 6's..1879-1929	5,808,000	A & O	115⅛	July 22,'02	....	....	....
" registered.................		A & O	111	Oct. 18,19'	....	....	....
" sinking fund 5s'..1879-1929	6,917,000	A & O	109	Aug.18,'02	109	109	8,000
" registered.................		A & O	107⅝	May 24,19'	....	....	....
" deben. 5's..............1909	5,900,000	M & N	108	Aug.27,'02	108	107	4,000
" registered.................		M & N	108	Oct. 3,'01	....	....	....
" deben. 5's..............1921	10,000,000	A & O	115⅛	June24,'02	....	....	....
" registered.................		A & O	114	Oct. 23,'01	....	....	....
" sinking f'd deben. 5's.1933	9,800,000	M & N	123⅛	June13,'02	....	....	....
" registered.................		M & N	123	May 28,'01	....	....	....
Des Moines & Minn. 1st 7's.....1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's...1905	1,600,000	M & S	118	Jan. 23,'01	....	....	....
Northern Illinois 1st 5's 1910	1,500,000	M & S	109⅛	Mar. 7,'02	....	....	....
Ottumwa C. F. & St. P. 1st 5's..1909	1,600,000	M & S	110¼	Aug.30,'01	....	....	....
Winona & St. Peters 2d 7's.....1907	1,592,000	M & N	116½	June10,'02	....	....	....
Mil., L. Shore & We'n 1st g. 6's.1921	5,000,000	M & N	133⅞	July 11,'02	....	....	....
" ext. & impt. s.f'd g. 5's1929	4,148,000	F & A	125	Aug. 8,'02	125	125	4,000
" Ashland div. 1st g. 6's 1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
" Michigan div. 1st g. 6's.1924	1,281,000	J & J	139¾	Jan. 10,'02	....	....	....
" con. deb. 5's...........1907	436,000	F & A	107⅛	Feb. 21,'01	....	....	....
" incomes................1911	500,000	M & N	110½	May 2,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup...1917	12,500,000	J & J	128¾	Aug. 7,'02	128¾	128¾	5,000
" registered..............1917		J & J	128⅛	Aug. 4,'02	128⅛	128⅛	5,000
" gen. g. 4's..............1988	59,581,000	J & J	109½	Aug.27,'02	109¾	108¾	93,000
" registered		J & J	112	Apr. 8,'02	....	....	....
" coll. trust serial 4's.......							
" series A................1903	1,472,000	M & N	....		....	....	....
" B.........................1904	1,472,000	M & N	....		....	....	....
" C.........................1905	1,472,000	M & N	100⅝	July 2,'02	....	....	....
" D.........................1906	1,472,000	M & N	....		....	....	....
" E.........................1907	1,472,000	M & N	....		....	....	....
" F.........................1908	1,472,000	M & N	....		....	....	....
" G.........................1909	1,472,000	M & N	....		....	....	....
" H.........................1910	1.472,000	M & N	99⅝	June30,'02	....	....	....
" I.........................1911	1,472,000	M & N	....		....	....	....
" J.........................1912	1,472,000	M & N	....		....	....	....
" K.........................1913	1,472,000	M & N	....		....	....	....
" L.........................1914	1,472,000	M & N	....		....	....	....
" M.........................1915	1,472,000	M & N	99⅛	July 10,'02	....	....	....
" N.........................1916	1,472,000	M & N	99⅝	June28,'02	....	....	....
" O.........................1917	1,472,000	M & N	....		....	....	....
" P.........................1918	1,472,000	M & N	....		....	....	....
Des Moines & Ft. Dodge 1st 4's.1905	1,200,000	J & J	99⅛	May 20,'01	....	....	....
" 1st 2½'s................1905	1,200,000	J & J	91¼	July 8,'02	....	....	....
" extension 4's..............	672,000	J & J	96	Dec. 19,19'	....	....	....
Keokuk & Des M. 1st mor. 5's..1923	2,750,000	A & O	110⅛	Apr. 4,'02	....	....	....
" small bond..............1923	....	A & O	107	Oct. 1,'01	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	AUGUST SALES. High.	Low.	Total.
Chic., St.P., Minn.& Oma.con. 6's.1930	14,499,000	J & D	138	Aug.26,'02	138	137½	5,000
Chic., St. Paul & Minn. 1st 6's..1918	1,946,000	M & N	138½	July 8,'02	....	....	....
North Wisconsin 1st mort. 6's..1930	768,000	J & J	140	June 6,'02	....	....	....
St. Paul & Sioux City 1st 6's....1919	6,070,000	A & O	129⅝	June26,'02	....	....	....
Chic., Term. Trans. R. R. g. 4's..1947	13,635,000	J & J	89⅞	Aug.29,'02	90	89	109,000
Chic. & Wn. Ind. gen'l g. 6's......1932	9,868,000	Q M	118¼	Aug.20,'02	118¼	118¼	1,000
Chic. & West Michigan R'y 5's...1921	5,753,000	J & D	109	Apr.28,'02	....	....	....
Choc.,Oklahoma & Glf.gen.g. 5s.1919	5,500,000	J & J	114½	May 14,'02	....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's.1905	927,000	A & O	111½	Dec. 9,'01	....	....	....
" 2d g. 4½'s..............1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's..1941	3,500,000	M & N	114¾	July 16,'02	....	....	....
Clev.,Cin.,Chic.& St.L. gen.g. 4's..1993	15,650,000	J & D	102	Aug.29,'02	102¼	102	12,000
" do Cairo div. 1st g. 4's..1939	5,000,000	J & J	102	Apr. 9,'02	....	....	....
Cin.,Wab. & Mich. div. 1st g. 4's.1991	4,000,000	J & J	102⅛	Aug. 7,'02	102⅛	102⅛	1,000
St. Louis div. 1st col. trust g.4's.1990	9,750,000	M & N	103½	Aug.25,'02	103½	102⅛	29,000
" registered..................			99	May 4,'99	....	....	....
Sp'gfield & Col. div. 1st g. 4's...1940	1,035,000	M & S	100	June14,'01	....	....	....
White W. Val. div. 1st g. 4's....1940	650,000	J & J	83	Nov.22,'99	....	....	....
Cin.,Ind., St. L. & Chic. 1st g.4's.1936	7,685,000	Q F	102¾	Aug.22,'02	102¾	102¾	2,000
" registered..................			95	Nov. 15,'94	....	....	....
" con. 6's...............1920	668,000	M & N	107½	June30,'93	....	....	....
Cin.,S'dusky&Clev.con.1st g.5's1928	2,571,000	J & J	113⅝	Aug. 6,'01	113⅝	113⅝	2,000
Clev., C., C. & Ind. con. 7's......1914	3,991,000	J & D	134½	Jan. 7,'02	....	....	....
" sink. fund 7's..........1914		J & D	119⅜	Nov. 19,'89	....	....	....
" gen. consol 6's.........1934	3,205,000	J & J	138	May 9,'02	....	....	....
" registered..............		J & J	....	....	....	....	....
Ind. Bloom. & West. 1st pfd 4's.1940	981,500	A & O	104½	Nov.19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's....1938	590,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's...1940	8,103,000	A & O	100½	Aug.26,'02	100⅝	100	42,000
" income 4's.............1990	4,000,000	A	75	Aug.27,'02	75	73	46,000
Clev.,Lorain & Wheel'g con.1st 5's1933	5,000,000	A & O	116¼	Aug.16,'02	116¼	116¼	1,000
Clev., & Mahoning Val. gold 5's..1938	2,936,000	J & J	127½	Jan. 25,'02	....	....	....
" registered..................		Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 4's...........1947	8,946,000	J & J	83	Aug.21,'02	83¾	83	37,000
Colorado & Southern 1st g. 4's...1929	18,350,000	F & A	94⅝	Aug.29,'02	95	94	98,000
Conn., Passumpsic Riv's 1st g. 4's.1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's..1907	3,067,000	M & S	117½	May 1,'02	....	....	....
Morris & Essex 1st m 7's........1914	5,000,000	M & N	135	June24,'02	....	....	....
" 1st c. gtd 7's..........1915	12,151,000	J & D	137	June18,'02	....	....	....
" registered..............		J & D	140	Oct. 26,'98	....	....	....
" 1st refund.gtd.g.3½'s.2000	7,000,000	J & D	....	....	....	....	....
N. Y., Lack. & West'n. 1st 6's...1921	12,000,000	J & J	135¾	June11,'02	....	....	....
" const. 5's..............1923	5,000,000	F & A	115⅛	Aug. 4,'02	115⅛	115⅛	1,000
" terml. imp. 4's.........1923	5,000,000	M & N	102	June28,'02	....	....	....
Syracuse, Bing. & N. Y. 1st 7's..1906	1,966,000	A & O	114¼	May 28,'02	....	....	....
Warren Rd. 1st rfdg.gtd g.3½'s.2000	905,000	F & A	....	....	....	....	....
Delaware & Hudson Canal.							
" 1st Penn. Div. c. 7's...1917	5,000,000	M & S	143	June 5,'02	....	....	....
" reg......................1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's.....1906	3,000,000	A & O	113	Aug.18,'02	113	113	5,000
" registered..................		A & O	122	June 6,'99	....	....	....
" 6's......................1906	7,000,000	A & O	109	June12,'02	....	....	....
" registered..................		A & O	109½	Nov.16,'01	....	....	....
Rens. & Saratoga 1st c. 7's......1921	2,000,000	M & N	147½	June 3,'02	....	....	....
" 1st r 7's................1921		M & N	147½	June18,'01	....	....	....
Denver & Rio G. 1st con. g. 4's...1936	32,050,000	J & J	102¼	Aug.27,'02	102½	102⅛	41,000
" con. g. 4½'s..............1936	6,382,000	J & J	110½	May 26,'02	....	....	....
" impt. m. g. 5's...........1928	8,103,500	J & D	109¾	Aug. 1,'02	109¾	109¾	2,000
Denv. & Southern Ry g. s. fg. 5's.1929	4,923,000	J & D	89	Aug.28,'02	90	89	22,000
Des Moines Union Ry 1st g. 5's..1917	628,000	M & N	111	Feb. 28,'01	....	....	....
Detroit & Mack. 1st lien g. 4s......1995	900,000	J & D	102	July 22,'01	....	....	....
" g. 4s.....................1995	1,250,000	J & D	93¼	Aug. 5,'02	93½	93½	1,000
Detroit Southern 1st g. 4's.......1951	2,750,000	J & D	86	Aug.29,'02	86¾	86	42,000
" Ohio South. div.1stg.4's.1941	4,000,000	M & S	93½	Aug.20,'02	94	93½	4,000
Duluth & Iron Range 1st 5's......1937	6,734,000	A & O	115	July 23,'02	....	....	....
" registered..................		A & O	101½	July 23,'89	....	....	....
" 2d l m 6s................1916	2,000,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's..1937	4,000,000	J & J	115	June20,'02	....	....	....
Elgin Joliet & Eastern 1st g 5's..1941	8,352,000	M & N	114	June 5,'02	....	....	....

BOND QUOTATIONS.—Last sale, price and date highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE.		AUGUST SALES.		
				Price.	*Date.*	*High.*	*Low.*	*Total.*
Erie 1st ext. g. 4's	1947	2,482,000	M & N	118	May 14,'02	....	....	....
" 2d extended g. 5's	1919	2,149,000	M & S	119¼	June 6,'02	....	....	....
" 3d extended g. 4½'s	1923	4,618,000	M & S	116⅛	Apr. 16,'02	....	....	....
" 4th extended g. 5's	1920	2,926,000	A & O	119¾	Aug. 5,'02	119¾	119¾	1,000
" 5th extended g. 4's	1928	709,500	J & D	109¼	Jan. 16,'02	....	....	....
" 1st cons gold 7's	1920	16,890,000	M & S	140¾	Aug. 20,'02	140¾	140¾	5,000
" 1st cons. fund g. 7's	1920	3,699,500	M & S	139	July 9,'02	....	....	....
Erie R.R. 1st con. g. 4s prior bds.	1996	34,000,000	J&J	99¾	Aug. 29,'02	100⅛	99	153,000
" registered			J&J	98½	July 29,'02	....	....	....
" 1st con. gen. lien g. 4s.	1996	34,885,000	J&J	87½	Aug. 29,'02	87½	86¼	490,000
" registered			J&J	....		....	....	....
" Penn. col. trust g. 4's.	1951	32,000,000	F & A	93½	Aug. 29,'02	93½	93	186,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	133	Jan. 9,'02	....	....	....
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J	....		....	....	....
" small			J&J	....		....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	123½	Aug. 25,'02	123½	123½	10,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	106	Aug. 5,'02	106	106	55,000
Long Dock consol. g. 6's	1935	7,500,000	A & O	137¼	June 23,'02	....	....	....
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	121	Aug. 16,'02	121	121	13,000
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	118½	Apr. 23,'02	....	....	....
N. Y. & Greenw'd Lake gt g 5's	1946	1,452,000	M&N	109	Oct. 27,'98	....	....	....
" small								
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	114⅝	Aug. 21,'02	114⅝	114⅝	25,000
N.Y., Sus. & W. 1st refdg. g. 5's	1937	3,750,000	J & J	117	May 29,'02	....	....	....
" 2d g. 4½'s	1937	453,000	F & A	103	Apr. 1,'02	....	....	....
" gen. g. 5's	1940	2,546,000	F & A	108	Aug. 21,'02	108½	107⅛	8,000
" term. 1st g. 5's	1943	2,000,000	M & N	116½	May 3,02'	....	....	....
" registered......$5,000 each			M & N	....		....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	114½	June 24,'02	....	....	....
Evans. & Terre Haute 1st con. 6's	1921	3,000,000	J & J	121½	July 29,'02	....	....	....
" 1st General g 5's	1942	2,223,000	A & O	110	Aug. 20,'02	110	109½	16,000
" Mount Vernon 1st 6's	1923	375,000	A & O	112	June 2,'02	....	....	....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sept. 15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	115	May 28,'02	....	....	....
Florida Cen. & Penins. 1st g 5's	1918	3,000,000	J & J	100	Sept. 6,'99	....	....	....
" 1st land grant ex. g 5's	1930	423,000	J & J	....		....	....	....
" 1st con. g 5's	1943	4,370,000	J & J	106½	Feb. 26,'02	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s	1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....
Ft. Worth & D. C. ctfs. dep. 1st 6's	1921	3,176,000	......	114⅞	Aug. 29,'02	115	112½	92,000
Ft. Worth & Rio Grande 1st g 5's	1928	2,363,000	J & J	89	Aug. 27,'02	89	88	80,000
Galveston H. & H. of 1882 1st 5s.	1913	2,000,000	A & O	105½	Aug. 25,'02	105½	105½	11,000
Geo. & Ala. 1st con. g 5s	1945	2,922,000	J & J	98½	Nov. 27,19'	....	....	....
Ga. Car. & N. Ry. 1st gtd. g. 5's	1927	5,360,000	J & J	111½	Mar. 20,'02	....	....	....
Gulf & Ship Isl. 1st refg. & ter. 5's	1952	2,931,000	J & J	....		....	....	....
" registered			J & J	....		....	....	....
Hock. Val. Ry. 1st con. g. 4½'s	1999	11,237,000	J & J	109¼	Aug. 28,'02	109⅝	108⅞	68,000
" registered			J & J	....		....	....	....
Col. Hock's Val. 1st ext. g. 4's	1848	1,401,000	A & O	106	Aug. 15,'02	106	106	10,000
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	115½	Apr. 15,'02	....	....	....
" registered			J&J	113½	Mar. 12,19'	....	....	....
" 1st gold 3½'s	1951	2,499,000	J&J	104½	Mar. 25,'02	....	....	....
" registered			J&J	102½	Apr. 15,'98	....	....	....
" 1st g 3s sterl. £500,000.	1951	2,500,000	M & S	92½	July 18,'96	....	....	....
" registered			M & S	....		....	....	....
" total outstg....$13,950,000								
" collat. trust gold 4's	1952	15,000,000	A & O	104⅝	Aug. 19,'02	105½	104⅝	3,500
" regist'd			A & O	102	Oct. 4,'01	....	....	....
" col. t. g. 4s L. N. O. & Tex.	1953	24,679,000	M & N	104½	July 18,'02	....	....	....
" registered			M & N	104⅝	May 20,'02	....	....	....
" Cairo Bridge g 4's	1950	3,000,000	J & D	....		....	....	....
" registered			J & D	123	May 24,'99	....	....	....
" Louisville div. g. 3½'s.	1953	14,320,000	J & J	101¼	Apr. 2,'02	....	....	....
" registered			J & J	88½	Dec. 8,'99	....	....	....
" Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
" St. Louis div. g. 3's	1951	4,939,000	J & J	87½	May 24,'02	....	....	....
" registered			J & J	101¼	Jan. 31,19'	....	....	....
" g. 3½'s	1951	6,321,000	J & J	100	July 17,'02	....	....	....
" registered			J & J	101½	Sept. 10,'95	....	....	....
" Sp'gfield div 1st g 3½'s,	1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
" registered			J & J	124	Dec. 11,'99	....	....	....
" West'n Line 1st g. 4's,	1951	5,425,000	F & A	111½	Aug. 12,'02	111½	111½	1,000
" registered			F & A	101½	Jan. 31,19'	....	....	....
Belleville & Carodt 1st 6's	1923	470,000	J & D	124	May 16,'01	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	August Sales. High.	August Sales. Low.	August Sales. Total.
Carbond'e & Shawt'n 1st g. 4's	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,555,000	J D 15	127¼	Aug.22,'02	127¼	127¼	10,000
" gold 5's, registered			J D 15	124	Sept.24,'01	....	....	....
" g. 3½'s	1951	1,352,000	J D 15	104⅝	Apr. 11,'02	....	....	....
" registered			J D 15	106¼	Aug.17,'99	....	....	....
" Memph. div. 1st g. 4's	1951	3,500,000	J & D	106¾	July 12,'02	....	....	....
" registered			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's	1931	538,000	M & S	101	Mar. 3,'02	....	....	....
Ind., Dec. & West. 1st g. 5's	1935	1,824,000	J & J	107	July 12,'02	....	....	....
" 1st gtd. g. 5's	1935	933,000	J & J	105½	Oct. 7,'01	....	....	....
Indiana, Illinois & Iowa 1st g 4's	1950	4,850,000	J & J	102¾	Mar. 22,'02	....	....	....
Internat. & Gt. N'n 1st. 6's, gold	1919	9,795,000	M & N	125¼	July 24,'02	....	....	....
" 2d g. 5's	1909	8,895,000	M & S	103	Aug.29,'02	103	101½	52,500
" 3d g. 4's	1921	2,729,000	M & S	78	Aug.22,'02	78	75	9,000
Iowa Central 1st gold 5's	1938	7,650,000	J & D	117	Aug.20,'02	117	116½	4,000
" refunding g. 4's	1951	2,000,000	M & S	96½	Aug.25,'02	97	96½	4,000
Kansas C. & M. R. & B. Co. 1st gtd g. 5's	1929	3,000,000	A & O	....		....	....	....
Kansas City Southern 1st g. 3's	1950	30,000,000	A & O	72¼	Aug.25,'02	72½	72	221,000
" registered			A & O	63¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	121¼	Aug. 6,'02	121¼	121¼	5,000
" 2d mtge. g. 5's	1941	3,625,000	J & J	118	Aug. 2,'02	118	118	1,000
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	115¾	July 30,'02	....	....	....
Lehigh Val. (Pa.) coll. g. 5's	1997	8,000,000	M & N	110	Feb. 3,'02	....	....	....
" registered			M & N	....		....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s	1940	15,000,000	J&J	110	Aug.25,'02	110	110	14,000
" registered		....	J&J	109½	June18,'02	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's	1941	10,000,000	A & O	118⅜	June21,'02	....	....	....
" registered			A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's	1933	10,280,000	J & J	109	June27,'01	....	....	....
" registered	1933		J & J	....		....	....	....
Lehigh & N. Y., 1st gtd g. 4's	1945	2,000,000	M&S	97	July 8,'02	....	....	....
" registered			M&S	....		....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....		....	....	....
" " g. gtd 5's	1914	1,250,000	A & O	101⅛	Sept. 1,'99	....	....	....
Long Island 1st cons. 5's	1931	3,610,000	Q J	122	Mar. 27,'02	....	....	....
" 1st con. g. 4's	1931	1,121,000	Q J	101	Nov. 22,'99	....	....	....
Long Island gen. m. 4's	1938	3,000,000	J & D	103	Aug. 7,'02	103	102	9,000
" Ferry 1st g. 4½'s	1922	1,500,000	M & S	103	May 29,'02	....	....	....
" g. 4's	1932	325,000	J & D	102½	May 5,'97	....	....	....
" unified g. 4's	1949	6,360,000	M & S	103	Aug.27,'02	103	102½	19,000
" deb. g. 5's	1934	1,135,000	J & D	111	Jan. 22,'02	....	....	....
Brooklyn & Montauk 1st 6's	1911	250,000	M & S	....		....	....	....
" 1st 5's	1911	750,000	M & S	109½	June17,'96	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's	1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's	1927	883,000	M & S	112½	Jan. 10,'02	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's	1932	1,425,000	QJAN	112½	Apr. 9,'02	....	....	....
Louis. & Nash. gen. g. 6's	1930	8,911,000	J & D	119	Aug.19,'02	119	119	1,000
" gold 5's	1937	1,764,000	M & N	116	June19,'02	....	....	....
" Unified gold 4's	1940	29,276,000	J & J	101¾	Aug.29,'02	102¼	101¼	53,000
" registered	1940		J & J	83	Feb. 27,'93	....	....	....
" collateral trust g. 5's	1931	5,129,000	M & N	115	Feb. 24,'02	....	....	....
" coll. tr 5-20 g 4's	1903-1918	7,500,000	A & O	100½	Aug.15,'02	100½	100½	2,000
" Cecilian branch. 7's	1907	325,000	M & S	106	Dec. 31,19'	....	....	....
" E., Hend. & N. 1st 6's	1919	1,840,000	J & D	115	May 9,'02	....	....	....
" L. Cin. & Lex. g. 4½'s	1931	3,258,000	M & N	103	Jan. 18,'98	....	....	....
" N. O. & Mobile 1st g. 6's	1930	5,000,000	J & J	130½	Feb. 28,'02	....	....	....
" 2d g. 6's	1930	1,000,000	J & J	124⅝	Apr. 16,'02	....	....	....
" Pensacola div. g. 6's	1920	580,000	M & S	116⅜	Mar. 22,'02	....	....	....
" St. Louis div. 1st g. 6's	1921	3,500,000	M & S	125½	Aug.12,'02	125½	125½	2,000
" 2d g. 3's	1980	3,000,000	M & S	75	June20,'02	....	....	....
" H. B'ge 1st sk'fd. g6's	1931	1,652,000	M & S	....		....	....	....
" Ken. Cent. g. 4's	1987	6,742,000	J & J	100	July 25,'02	....	....	....
" L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	110½	Mar. 20,'02	....	....	....
" N. Fla. & S. 1st g. g. 5's	1937	2,096,000	F & A	114¾	Feb. 11,'02	....	....	....
" Pen. & At. 1st g. g. 6's	1921	2,659,000	F & A	117	July 21,'02	....	....	....
" S. & N. A. con. gtd. g. 5's	1936	3,673,000	F & A	115	Dec. 5,'01	....	....	....
" So. & N. Ala. si'fd. g. 6s	1910	1,942,000	A & O	92½	Sept. 30,'96	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's	1945	3,000,000	M & S	100	Mar. 19,'01	....	....	....
Manhattan Railway Con. 4's	1990	28,065,000	A & O	104¼	Aug.20,'02	104¾	104¼	14,000
" registered			A & O	105¼	May 7,'01	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	AUGUST SALES. *High.*	AUGUST SALES. *Low.*	AUGUST SALES. *Total.*
Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	111⅛	Aug.26,'02	112	111⅛	10,000
Manitoba Swn. Coloniza'n g. 5's,	1934	2,544,000	J & D	....		....	....	....
Mexican Central.								
" con. mtge. 4's	1911	65,643,000	J & J	82⅛	Aug.27,'02	82¾	82¼	59,000
" 1st con. inc. 3's	1939	20,511,000	JULY	82⅛	Aug.29,'02	33⅛	31⅛	962,000
" 2d 3's	1939	11,724,000	JULY	22	Aug.27,'02	23⅛	22	368,000
" equip. & collat. g. 5's	1917	700,000	A & O	....		....	....	....
" 2d series g. 5's	1919	815,000	A & O	....		....	....	....
" col.trust g.4½'s1st se of	1907	10,000,000	F & A	97	Aug.13,'02	97⅛	96⅜	217,000
Mexican Internat'l 1st con g. 4's,	1977	3,362,000	M & S	90⅝	July 29,'01	....	....	....
" stamped gtd.		3,621,000	......	....		....	....	....
Mexican Northern 1st g. 6's	1910	1,102,000	J & D	....		....	....	....
" registered			J & D	105	May 2,19'	....	....	....
Minneapolis & St. Louis 1st g. 7's.	1927	950,000	J & D	147½	Jan. 9,'02	....	....	....
" Iowa ext. 1st g. 7's	1909	1,015,000	J & D	118	June10,'02	....	....	....
" Pacific ext. 1st g. 6's	1921	1,382,000	J & A	129¼	Aug.21,'02	129¼	129¼	5,000
" Southw. ext. 1st g. 7's	1910	636,000	J & D	121	Jan. 21,'02	....	....	....
" 1st con. g. 5's	1934	5,000,000	M & N	123	July 24,'02	....	....	....
" 1st & refunding g. 4's	1949	7,600,000	M & S	105¼	Aug. 4,'02	105¼	105¼	1,000
Minneapolis & Pacific 1st m. 5's	1936	3,208,000	J & J	102	Mar. 26,'87	....	....	....
" stamped 4's pay. of int. gtd.				....		....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's.	1926	8,280,000	J & J	103	Nov.11,'01	....	....	....
" stamped pay. of int. gtd.				89¾	June18,'91	....	....	....
Minn., S. P. & S. S. M., 1st c. g. 4's.	1938	21,949,000	J & J	98	Apr. 3,'01	....	....	....
" stamped pay. of int. gtd.				....		....	....	....
Missouri, K. & T. 1st mtge g. 4's.	1990	39,718,000	J & D	99⅞	Aug.29,'02	100⅛	99¾	121,500
" 2d mtge. g. 4's	1990	20,000,000	F & A	84⅛	Aug.29,'02	84⅛	84	178,000
" 1st ext gold 5's	1944	2,548,000	M & N	107⅛	Aug.19,'02	107¾	106	68,000
St. Louis div. 1st refundg 4s	2001	1,841,000	A & O	87⅛	Aug.26,'02	87⅛	87⅛	12,000
Dallas & Waco 1st gtd. g. 5's	1940	1,340,000	M & N	102¼	May 12,'02	....	....	....
Mo. K.&T. of Tex 1st gtd.g. 5's.	1942	3,597,000	M & S	108⅛	Aug.20,'02	108⅛	108⅛	7,000
Sher.Shrevept & So1st gtd.g.5's	1943	1,689,000	J & D	105⅛	July 28,'02	....	....	....
Kan. City & Pacific 1st g. 4's	1990	2,500,000	F & A	91	Aug.25,'02	91	91	3,000
Tebo. & Neosho 1st 7's	1903	187,000	J & D	....		....	....	....
Mo. Kan. & East'n 1st gtd. g. 5's.	1942	4,000,000	A & O	112¼	Aug.21,'02	112⅛	112¼	3,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	124¾	Aug.14,'02	124¾	124⅛	7,000
" 3d mortgage 7's	1906	3,828,000	M & N	113	Aug.15,'02	113	113	6,000
" trusts gold 5's stamp'd	1917	14,376,000	M & S	109	Aug.27,'02	109	108⅝	90,000
" registered			M & S	....		....	....	....
" 1st collateral gold 5's.	1920	9,636,000	F & A	106⅛	Aug.25,'02	106⅝	106⅜	26,000
" registered			F & A	....		....	....	....
Cent. Branch Ry. 1st gtg. g. 4's.	1919	3,459,000	F & A	92	Aug.16,'02	94	92	2,000
Leroy & Caney Val. A. L. 1st 5's.	1926	520,000	J & J	100	May 1,'01	....	....	....
Pacific R. of Mo. 1st m. ex. 4's.	1938	7,000,000	M & S	105	Aug.14,'02	105	105	5,000
" 2d extended g. 5's	1938	2,573,000	F & A	116	June19,'02	....	....	....
St. L. & I. g. con. R.R.&l.gr. 5's	1931	36,418,000	A & O	116⅛	Aug.29,'02	117⅛	116⅛	113,000
" stamped gtd gold 5's	1931	6,945,000	A & O	114	July 29,'02	....	....	....
" unify'g & rfd'g g. 4's.	1929	24,195,000	J & J	94⅝	Aug.29,'02	94⅝	93	342,000
" registered			J & J	....		....	....	....
Verdigris V'y Ind. & W. 1st 5's.	1926	750,000	M & S	....		....	....	....
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	109	Aug.31,19'	....	....	....
" small		226,000	J & J	....		....	....	....
" mtg. g. 4's	1945	700,000	J & J	93	Apr. 25,'02	....	....	....
" small		500,000	......	....		....	....	....
Mob. Jackson & Kan. City 1st g. 5's.	1946	1,000,000	J & D	102	July 25,'02	....	....	....
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	129⅛	Aug.21,'02	129⅛	129⅛	3,000
" 1st extension 6's	1927	974,000	J & D	127	Feb. 3,'02	....	....	....
" gen. g. 4's	1938	9,472,000	Q J	99	Aug.12,'02	99	99	15,000
" Montg'ry div. 1st g. 5's.	1947	4,000,000	F & A	116⅞	July 8,'02	....	....	....
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	101⅛	June30,'02	....	....	....
" collateral g. 4's	1930	2,494,000	Q F	96⅛	Nov. 30,'01	....	....	....
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	125¾	July 31,'02	....	....	....
" 1st cons. g. 5's	1928	7,412,000	A & O	115	Aug.19,'02	115¼	115	4,000
" 1st g. 6's Jasper Branch.	1923	371,000	J & J	123	Mar. 28,'01	....	....	....
" 1st 6's McM. M.W. & Al.	1917	750,000	J & J	116	July 31,'02	....	...	....
" 1st 6's T. & Pb	1917	300,000	J & J	110	Dec. 20,'99	....	....	....
Nat.R.R. of Mex. prior lien g. 4½'s.	1926	20,000,000	J & J	101⅜	Aug.14,'02	101⅛	101	72,000
" 1st con. g. 4's	1951	22,000,000	A & O	79⅜	Aug.28,'02	79¾	78	83,000
N. O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108⅛	Aug.13,'94	....	....	....

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NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	AUGUST SALES. High.	Low.	Total.
N. Y. Cent. & Hud. R. 1st c. 7's..1903	18,827,000	J & J	101⅝	Aug.27,'02	101⅝	101⅝	6,000
" 1st registered..........1903		J & J	101⅜	Aug.26,'02	101⅜	101⅜	5,000
" g. mortgage 3½s......1997	40,426,000	J & J	106¾	July 11,'02	....	....	....
" " registered......		J & J	108½	Apr. 2,'02	....	....	....
" debenture 5's.....1884-1904	4,499,000	M & S	103¾	Aug.20,'02	103¾	103¾	3,000
debenture 5's reg..........		M & S	102½	Apr. 29,'02	....	....	....
" reg. deben. 5's....1889-1904	649,000	M & S	103½	Apr. 30,'01	....	....	....
" debenture g. 4's..1890-1905	5,097,000	J & D	101¾	Apr. 11,'02	....	....	....
" registered..................		J & D	100¼	Jan. 4,'02	....	....	....
" deb. cert. ext. g. 4's...1905	3,609,000	M & N	100½	June 10,'02	....	....	....
" registered..................		M & N	100⅛	Nov.21,'01	....	....	....
Lake Shore col. g. 3½s..........1998	90,578,000	F & A	94¼	Aug.27,'02	94½	93½	87,000
" registered..................		F & A	93⅝	Aug.22,'02	93⅝	93	41,000
Michigan Central col. g. 3½s..1998	19,336,000	F & A	93¼	Aug.26,'02	93½	93	27,000
" registered..................		F & A	93¼	Feb. 15,'02	....	....	....
Beech Creek 1st. gtd. 4's........1936	5,000,000	J & J	111¼	Oct. 10,'01	....	....	....
" registered..................		J & J	106	June 17,'98	....	....	....
" 2d gtd. g. 5's...........1936	500,000	J & J	....	....	....	....	....
" registered..................	....	J & J	....	....	....	....	....
" ext. 1st. gtd. g. 3½'s..1951	4,500,000	A & O	....	....	....	....	....
" registered..................		A & O	....	....	....	....	....
Carthage & Adiron. 1st gtd g. 4's 1981	1,100,000	J & D	....	....	....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A. 1940	770,000	J & J	95	Apr. 3,'02	....	....	....
" small bonds series B......	33,100	J & J	....	....	....	....	....
Gouv. & Oswega. 1st gtd g. 5's.1942	300,000	J & D	....	....	....	....	....
Mohawk & Malone 1st gtd g. 4's.1991	2,500,000	M & S	107½	July 6,19'	....	....	....
" inc. 5's.................1992	3,900,000	Sept.	110¼	Dec. 6,'01	....	....	....
N. Jersey Junc. R. R. g. 1st 4's.1986	1,650,000	F & A	108	Dec. 14,'01	....	....	....
" reg. certificates...........		F & A	....	....	....	....	....
N.Y. & Putnam 1st con. gtd g. 4's.1993	4,000,000	A & O	105½	Nov.15,'96	....	....	....
Nor. & Montreal 1st g. gtd 5's..1916	130,000	A & O	....	....	....	....	....
West Shore 1st guaranteed 4's.2361	50,000,000	J & J	114¼	Aug.27,'02	114½	114	59,000
" registered..................		J & J	113¾	Aug.11,'02	114	113¾	7,000
Lake Shore con. 2d 7's..........1903	6,812,000	J&D	104½	June 24,'02	....	....	....
" con. 2d registered....1903		J&D	104⅝	May 20,'02	....	....	....
" g 3½s..................1997	43,820,000	J & D	107¼	July 24,'02	....	....	....
" registered..................		J & D	111	May 2,19'	....	....	....
Detroit, Mon. & Toledo 1st 7's.1906	924,000	F & A	114	Feb. 6,'02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's...1938	840,000	J & J	....	....	....	....	....
Mahoning Coal R. R. 1st 5's ...1934	1,500,000	J & J	127½	Feb. 6,'01	....	....	....
Pitt McK'port & Y. 1st gtd 6's..1932	2,250,000	J & J	146⅝	Apr. 12,'01	....	....	....
" 2d gtd 6's...........1934	900,000	J & J	....	....	....	....	....
McKspt & Bell. V. 1st g. 6's.. 1918	600,000	J & J	....	....	....	....	....
Michigan Cent. 6's..............1909	1,500,000	M & S	118⅝	Dec. 4,'01	....	....	....
" 5's.......................1931	3,576,000	M & S	128	June 21,'02	....	....	....
" 5's reg..................1931		Q M	127	June 19,'02	....	....	....
" 4's.......................1940	2,600,000	J & J	110	Dec. 7,'01	....	....	....
" 4's reg.....................		J & J	106½	Nov.26,19'	....	....	....
" g. 3½'s sec. by 1st mge. on J. L. & S..............	2,000,000	M & S	....	....	....	....	....
Battle C. Sturgis 1st g. g. 3's...1989	476,000	J & D	....	....	....	....	....
N. Y. & Harlem 1st mort. 7's c..1900	12,000,000	M & N	103¾	Mar. 13,19'	....	....	....
" 7's registered..........1900		M & N	102¾	Apr. 6,19'	....	....	....
N. Y. & Northern 1st g. 5's.....1927	1,200,000	A & O	121½	May 1,'02	....	....	....
R. W. & Og. con. 1st ext. 5's...1922	9,081,000	A & O	123½	July 14,'02	....	....	....
coup. g. bond currency..........		A & O	....	....	....	....	....
Oswego & Rome 2d gtd gold 5's.1915	400,000	F & A	113¾	Jan. 25,'02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's.1918	375,000	M & N	....	....	....	....	....
Utica & Black River gtd g. 4's..1922	1,800,000	J & J	110½	Nov.25,19'	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's...1937	19,425,000	A & O	107	Aug.27,'02	107	107	23,000
" registered..................		A & O	107	Dec. 20,'01	....	....	....
N. Y., N. Haven & H. 1st reg. 4's.1903	2,000,000	J & D	100	Dec. 18,'01	....	....	....
" con. deb. receipts.....$1,000	15,007,500	A & O	226	Aug.29,'01	226	226	3,000
" small certifs.............$100	1,430,000	......	220	July 19,'02	....	....	....
Housatonic R. con. g. 5's.........1937	2,838,000	M & N	135½	Jan. 14,'02	....	....	....
New Haven and Derby con. 5's..1918	575 000	M & N	115½	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's......1905	6,000,000	J & J	114	Jan. 5,19'	....	....	....
" 1st 6's.....................1905	4,000,000	J & J	106¼	Mar. 18,'02	....	....	....
N.Y., Ont. & W'n. ref'ding 1st g. 4's.1992	16,937,000	M & S	104	Aug.28,'02	104½	104	68,000
" registered.......$5,000 only.	....	M & S	101½	Nov.30,'98	....	....	....
Norfolk & Southern 1st g. 5's....1941	1,380,000	M & N	116½	Mar. 25,'02	....	....	....
Norfolk & Western gen. mtg. 6's.1931	7,283,000	M & N	133	Aug.11,'02	133	133	1,000
" imp'ment and ext. 6's...1934	5,000,000	F & A	132¼	Aug.14,'02	132¼	132¼	2,000
" New River 1st 6's........1932	2,000,000	A & O	135	July 1,'02	....	....	....

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				Price.	*Date.*	*High*	*Low.*	*Total.*
Norfolk & West. Ry 1st con. g. 4s.	1996		A & O	102½	Aug. 29,'02	102⅞	101⅝	230,500
" registered		33,210,500	A & O	100½	Jan. 13,'02	....	....	....
" small bonds			A & O	....		....	....	....
" Pocahon C.&C.Co.jt.4's.	1941	20,000,000	J & D	94½	Aug. 29,'02	95	94¼	615,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	107½	July 1,'01	....	....	....
" Sci'o Val & N.E. 1st g.4's.	1989	5,000,000	J & N	102¼	Aug. 28,'02	103	102¼	15,000
N. P. Ry prior ln ry.&ld.gt.g.4's..	1997	98,868,500	Q J	104½	Aug. 29,'02	104½	104½	209,500
" registered			Q J	104⅝	Aug. 14,'02	104⅝	104⅝	5,000
" gen. lien g. 3's	2047	56,000,000	Q F	74¾	Aug. 28,'02	75½	74¼	207,500
" registered			Q F	72	Apr. 11,'02	....	....	....
St. Paul & Duluth div. g. 4's...	1996	9,215,000	J & D	102½	May 20,'02	....	....	....
" registered			J & D	....		....	....	....
St. Paul & N. Pacific gen g. 6's.	1923	7,985,000	F & A	129½	May 1,'02	....	....	....
" registered certificates....			Q F	132	July 28,'98	....	....	....
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	122	Apr. 15, 02	....	....	....
" 2d 5's	1917	2,000,000	A & O	112½	Aug. 7,'02	112½	112½	10,000
" 1st con. g. 4's	1968	1,000,000	J & D	100	Aug. 21,'02	100	100	1,000
Washington Cen. Ry 1st g. 4's..	1948	1,538,000	QMOH	94½	Feb. 19,'01	....	....	....
Nor. Pacific Term. Co. 1st g. 6's..	1933	3,717,000	J & J	116	July 1,'02	....	....	....
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	112½	June 3,'01	....	....	....
" gen. mortg. g 6's	1937	2,428,000	A & O	108½	July 9,02'	....	....	....
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	112	Aug. 28,'02	112	111	12,000
Panama 1st sink fund g. 4½'s....	1917	2,526,000	A & O	102½	May 14,'02	....	....	....
" s. f. subsidy g 6's	1910	1,203,000	M & N	102	Apr. 14,'02	....	....	....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	111½	Aug. 6,'02	111½	111½	3,000
" reg	1921		J & J	110⅝	July 8,'02	....	....	....
" gtd.3½ col.tr.reg. cts..	1937	5,000,000	M & S	114½	Feb. 15,'99	....	....	....
" gtd.3½ col.tr.cts.serB	1941	10,000,000	F & A	98¼	July 7,'02	....	....	....
" Trust Co. ctfs. g. 3½'s.	1916	20,000,000	M & N	97½	May 12,'02	....	....	....
Chic., St. Louis & P. 1st c. 5's..	1932	1,506,000	A & O	123	July 2,'02	....	....	....
" registered		....	A & O	110	May 3,'92	....	....	....
Clev.&P.gen.gtd.g.4½'s Ser. A.	1942	3,000,000	J & J	121	Oct. 22,19'	....	....	....
" Series B	1942	1,561,000	A & O	....		....	....	....
" " int. reduc. 3½ p.c.		439,000	......	....		....	....	....
" Series C 3½s	1948	3,000,000	M & N	....		....	....	....
" Series D 3½s	1950	1,718,000	F & A	....		....	....	....
E.&Pitts. gen.gtd.g.3½s Ser. B..	1940	2,250,000	J & J	102	Nov. 7,19'	....	....	....
" " " C..	1940	1,508,000	J & J	....		....	....	....
Newp. & Cin. Bge Co. gtd g. 4's..	1945	1,400,000	J & J	....		....	....	....
Pitts., C. C. & St. L. con. g 4½'s..								
" Series A	1940	10,000,000	A & O	115½	June 17,'02	....	....	....
" Series B gtd	1942	8,786,000	A & O	115⅝	July 1,'02	....	....	....
" Series C gtd	1942	1,379,000	M & N	116½	Feb. 14,'01	....	....	....
" Series D gtd. 4's	1945	4,983,000	M & N	106¾	Nov. 4,'01	....	....	....
" Series E gtd. g. 3½s...	1949	11,257,000	F & A	97½	June 13,'02	....	....	....
Pitts., Ft. Wayne & C. 1st 7's..	1912	2,407,000	J & J	128¾	Aug. 4,'02	128¾	128¾	1,000
" 2d 7's	1912	2,047,500	J & J	128¾	Aug. 12,'02	128¾	128¾	2,000
" 3d 7's	1912	2,000,000	A & O	130	Apr. 11,'01	....	....	....
Penn. RR. Co. 1st Rl Est. g 4's...	1923	1,675,000	M & N	110½	Mar. 8,'02	....	....	....
con. sterling gold 6 per cent...	1905	22,762,000	J & J	....		....	....	....
con. currency, 6's registered...	1905	4,718,000	Q M 15	....		....	....	....
con. gold 5 per cent	1919	4,998,000	M & S	....		....	....	....
" registered			Q M	....		....	....	....
con. gold 4 per cent	1943	3,000,000	M & N	....		....	....	....
Allegh. Valley gen. gtd. g. 4's...	1942	5,389,000	M & S	110	Aug. 28,19'	....	....	....
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	112¾	Mar. 7,19'	....	....	....
Del.R. RR.& BgeCo 1stgtdg.4's,	1936	1,300,000	F & A	....		....	....	....
G.R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	111½	Mar. 19,'02	....	....	....
Sunbury & Lewistown 1st g.4's.	1936	500,000	J & J	....		....	....	....
U'd N. J. RR. & Can Co. g 4's...	1944	5,646,000	M & S	117	May 1,19'	....	....	....
Peoria & Pekin Union 1st 6's....	1921	1,495,000	Q F	130¼	Feb. 10,'02	....	....	....
" 2d m 4½'s	1921	1,499,000	M & N	101	Oct. 31,19'	....	....	....
Pere Marquette.								
Flint & Pere Marquette g. 6's..	1920	3,999,000	A & O	125	June 28,'02	....	....	....
" 1st con. gold 5's	1939	2,850,000	M & N	112½	Aug. 28,'02	112½	112½	5,000
" Port Huron d 1st g 5's.	1939	3,325,000	A & O	114⅝	Aug. 29,'02	114⅝	114⅝	10,000
Sag'w Tusc. & Hur. 1st gtd.g.4's.	1931	1,000,000	F & A	....		....	....	....
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93	....	....	....
Pittsburg, Clev. & Toledo 1st 6's.	1922	2,400,000	A & O	107½	Oct. 26,'93	....	....	....

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Name. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	August Sales. High.	August Sales. Low.	August Sales. Total.
Pittsburg, Junction 1st 6's.......1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A, 1928	2,000,000	A & O	112	Mar. 25,'98	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's, 1940	3,000,000	A & O	121	May 2,'02	....	....	....
" 1st cons. 5's.............1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....
Pittsburg & West'n 1st gold 4's, 1917	1,589,000	J & J	102⅛	June19,'02	....	....	....
" J. P. M. & Co., ctfs., ...	8,111,000	......	101	Apr. 23,'02	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's, 1927	1,562,000	M & N	111	June 3,'02	....	....	....
Reading Co. gen. g. 4's...........1997	64,695,000	J & J	98⅜	Aug.28,'02	98¼	97⅞	297,000
" registered....................		J & J	92	Apr. 16,19'	....	....	....
" Jersey Cent. col. g. 4's..1957	23,000,000	......	96⅛	Aug.20,'02	96⅛	96⅛	47,000
" " registered.....		......	....	....	....	....	....
Rio Grande West'n 1st g. 4's.....1939	15,200,000	J & J	100¼	Aug.26,'02	100¾	100	72,000
" mge & col.tr.g.4's ser.A.1949	10,000,000	A & O	93⅛	Aug.14,'02	93⅛	93¼	20,000
" Utah Cen. 1st gtd. g. 4's, 1917	550,000	A & O	97	Jan. 3,02'	....	....	....
Rio Grande Junc'n 1st gtd. g. 5's, 1939	1,850,000	J & D	114	May 13,'02	....	....	....
Rio Grande Southern 1st g. 4's..1940	2,233,000	J & J	80⅛	July 3,'02	....	....	....
" guaranteed..............	2,277,000	......	92¾	Aug.29,'02	93	92¾	7,000
Rutland RR 1st con. g. 4½ s 1941	2,440,000	J & J	....	....	....	....	....
Ogdnsb.&L.Ch'n.Ry.1st gtd g4s1948	4,400,000	J & J	....	....	....	....	....
Rutland Canadian 1st gtd.g.4's.1949	1,350,000	J & J	101¼	Nov.18,'01	....	....	....
Salt Lake City 1st g. sink fu'd 6's, 1913	297,000	J & J	....	....	....	....	....
St. Jo. & Gr. Isl. 1st g. 3.342.......1947	3,500,000	J & J	97	Aug.25,'02	97	97	21,000
St. L. & Adirondack Ry. 1st g. 5's.1996	800,000	J & J	....	....	....	....	....
" 2d g. 6's...............1996	400,000	A & O	....	....	....	....	....
St. Louis & San F. 2d 6's, Class B, 1906	999,000	M & N	108¼	Aug.14,'02	108¼	107	10,000
" 2d g. 6's, Class C 1906	830,000	M & N	108¼	Aug.14,'02	108¼	108¼	2,000
" gen. g. 6's...........1931	3,715,000	J & J	130⅛	July 10,'02	....	....	....
" gen. g. 5's 1931	5,817,000	J & J	114	Aug.19,'02	114⅜	114	9,000
St. L & San F. R. R. con. g. 4's.1996	1,595,000	J & D	99¼	Aug. 4,'02	99¼	99¼	2,000
" S. W. div. g. 5's........1947	830,000	A & O	100	Jan. 3,'02	....	....	....
" refunding g. 4's.......1951	40,514,000	J & J	96	Aug.28,'02	97⅛	96	42,000
" " registered...		J & J	....	....	....	....	....
Kan. Cy Ft.S.&MemRRcong6's1928	13,736,000	M & N	125⅛	June16,'01	....	....	....
Kan.Cy Ft.S &MRyrefggtd g4s.1936	12,055,000	A & O	92	Aug.29,'02	92	91	216,000
" registered..................		A & O	....	....	....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs., 1989	20,000,000	M & N	99⅝	Aug.28,'02	100	99	66,000
" 2d g. 4's inc. Bd. ctfs....1989	3,272,500	J & J	89¾	Aug.29,'02	90⅛	89	370,500
" Trust Co. certifs............	6,727,500	......	81⅝	June30,'02	....	....	....
" con. g. 4's.... 1932	12,054,000	J & D	88¾	Aug.20,'02	89¾	88⅛	49,000
Gray's Point, Term. 1st gtd. g. 5's.1947	339,000	J & D	....	....	....	....	....
St. Paul, Minn. & Manito'a 2d 6's..1909	7,503,000	A & O	115⅛	June12,'02	....	....	....
" 1st con. 6's............1933	13,344,000	J & J	138⅞	Aug.22,'02	136⅛	137⅞	12,000
" 1st con. 6's, registered....		J & J	140	May 14,'02	....	....	....
" 1st c. 6's, red'd to g. 4½'s...	20,176,000	J & J	112¾	Aug. 1,'02	112¾	112¾	1,000
" 1st cons. 6's register'd....		J & J	115¼	Apr. 15,'01	....	....	....
" Dakota ext'n g. 6's...1910	5,576,000	M & N	115⅛	Aug.15,'02	115⅛	115½	1,000
" Mont. ext'n 1st g. 4's..1937	10,185,000	J & D	106	Aug. 8,'02	106	106	5,000
" registered.................		J & D	106	May 6,'01	....	....	....
Eastern R'y Minn, 1std. 1st g. 5's..1908	4,700,000	A & O	107	Aug.28,'02	107	107	6,000
" registered.................		A & O	....	....	....	....	....
" Minn. N. div. 1st g. 4's..1940	5,000,000	A & O	....	....	....	....	....
" registered.................		A & O	....	....	....	....	....
Minneapolis Union 1st g. 6's....1922	2,150,000	J & J	128	Apr. 4,19'	....	....	....
Montana Cent. 1st 6's int. gtd..1937	6,000,000	J & J	141¼	Apr. 24,'02	....	....	....
" 1st 6's, registered.........		J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's............ 1937	4,000,000	J & J	124⅛	June12,'02	....	....	....
" registered.................		J & J	....	....	....	....	....
Willmar & Sioux Falls 1st g. 5's, 1938	3,625,000	J & D	125⅛	Feb. 17,'02	....	....	....
" registered.................		J & D	....	....	....	....	....
San Fe Pres.& Phoe.Ry.1st g.5's, 1942	4,940,000	M & S	111	Aug.15,'01	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's, 1919	3,872,000	J & J	113¾	Dec. 11,'01	....	....	....
Sav. Florida & Wn. 1st c. g. 6's...1934	4,056,000	A & O	128	Dec. 31,'01	....	....	....
" 1st g. 5's................1934	2,444,000	A & O	112	Mar. 17,'99	....	....	....
" St. John's div. 1st g. 4's.1934	1,350,000	J & J	95¼	Nov.30,'01	....	....	....
Alabama Midland 1st gtd. g. 5s.1928	2,800,000	M & N	110	May 28,'02	....	....	....
Brunsw. & West.1st gtd. g.4's..1938	3,000,000	J & J	87	Aug.22,'01	....	....	....
Sil.S.Oc.& G.R.R.& lg. gtd.g.4's.1918	1,107,000	J & J	95	July 10,'02	....	....	....
Seaboard Air Line Ry g. 4's......1950	12,775,000	A & O	88	Aug.29,'02	90	86¼	349,000
" registered..................		A & O	....	....	....	....	....
" col. trust refdg g. 5's..1911	8,716,000	M & N	104¼	Aug.29,'02	104¼	104	109,000

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Seaboard & Roanoke 1st 5's	1926	2,500,000	J & J	104¾	Feb. 5,'98	....	....	....
Carolina Central 1st con. g. 4's	1949	2,847,000	J & J	96¼	Mar. 3,'02	....	....	....
Sodus Bay & Sout'n 1st 5's, gold	1924	500,000	J & J	100	Dec. 4,'01	....	....	....
Southern Pacific Co.								
" 2-5 year col. trust g. 4½'s	1905	15,000,000	J & D	100¼	Aug. 13,'02	100⅛	100	33,000
" g. 4's Central Pac. coll.	1949	28,818,500	J & D	95	Aug. 29,'02	95	93¾	514,000
" " registered			J & D	95	Apr. 10,'02	....	....	....
Austin & Northw'n 1st g. 5's	1941	1,920,000	J & J	111	June 26,'01	....	....	....
Cent. Pac. 1st refud. gtd. g. 4's	1949	58,041,000	F & A	101	Aug. 28,'02	101¼	100⅝	80,500
" registered			F & A	99⅞	June 1,19'	....	....	....
" mtge. gtd. g. 3½'s	1929	19,027,500	J & D	88⅛	Aug. 28,'02	88¾	88⅛	110,000
" " registered			J & D	....	....	....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's	1910	4,756,000	F & A	113	June 27,'02	....	....	....
" 2d g 7's	1905	1,000,000	J & D	108	Mar. 26,'02	....	....	....
" Mex. & P. div 1st g 5's	1931	13,418,000	M & N	110¼	Apr. 28,'02	....	....	....
Gila Val. G. & N'n 1st gtd g 5's	1924	1,514,000	M & N	108	May 14,'02	....	....	....
Houst. E. & W. Tex. 1st g. 5's	1933	501,000	M & N	103	Aug. 18,'02	103	103	4,000
" 1st gtd. g. 5's	1933	2,199,000	M & N	104⅛	July 13,19'	....	....	....
Houst. & T.C. 1st g 5's int. gtd.	1937	5,960,000	J & J	111	Aug. 5,'02	111	111	4,000
" con. g 6's int. gtd.	1912	2,911,000	A & O	113⅛	June 25,'02	....	....	....
" gen. g 4's int. gtd.	1921	4,287,000	A & O	96	Aug. 18,'02	96	96	5,000
" W&Nwn. div. 1st. g. 6's	1930	1,105,000	M & N	127⅛	Feb. 27,'02	....	....	....
Morgan's La & Tex. 1st g 6's	1920	1,494,000	J & J	123⅛	Feb. 5,'02	....	....	....
" 1st 7's	1918	5,000,000	A & O	134⅛	July 28,'02	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's	1912	1,465,000	A & O	....	....	....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's	1907	3,964,000	J & J	94	Nov. 30,'97	....	....	....
" gtd. g. 5's		4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's	1927	19,357,000	J & J	105⅛	Nov. 7,'01	....	....	....
San Ant. & Aran Pass 1st gtd g 4's	1943	18,900,000	J & J	88⅛	Aug. 27,'02	89¼	88¼	225,000
South'n Pac. of Ariz. 1st 6's	1909	6,000,000	J & J	112¾	Apr. 18,'02	....	....	....
" " "	1910	4,000,000	J & J	112⅛	Aug. 7,'02	112⅛	112⅛	10,000
" of Cal. 1st g 6's ser. A.	1905	30,217,500	A & O	105⅛	June 6,'02	....	....	....
" " " ser. B.	1905		A & O	108	Dec. 23,'01	....	....	....
" " " C. & D.	1906		A & O	110⅝	Jan. 14,'02	....	....	....
" " " E. & F.	1902		A & O	114⅛	Nov. 3,'99	....	....	....
" " "	1912	....	A & O	119⅛	June 13,'01	....	....	....
" 1st con. gtd. g 5's	1937	6,809,000	M & N	107	Nov. 27,19'	....	....	....
" stamped	1905-1937	20,420,000	......	110	Aug. 21,'02	110	109⅞	43,500
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J	....	....	....	....	....
" of N. Mex. c. 1st 6's	1911	4,180,000	J & J	116¼	Apr. 23,'00	....	....	....
Tex. & New Orleans 1st 7's	1905	915,000	F & A	108	May 20,'02	....	....	....
" Sabine div. 1st g 6's	1912	2,575,000	M & S	114⅛	Feb. 14,'0?	....	....	....
" con. g 5's	1943	1,620,000	J & J	108½	July 29,'01	....	....	....
Southern Railway 1st con. g 5's	1994	33,804,000	J & J	122	Aug. 29,'02	122	121	90,000
" registered			J & J	122	Jan. 2,'02	....	....	....
Mob. & Ohio collat. trust g. 4's	1938	7,855,000	M & S	100	Aug. 28,'02	100	99	26,000
" registered			M & S	....	....	....	....	....
" Memph. div. 1st g. 4-4½-5's	1996	5,083,000	J & J	115	Mar. 18,'02	....	....	....
" registered			J & J	....	....	....	....	....
" St. Louis div. 1st g. 4's	1951	11,250,000	J & J	100¼	Aug. 26,'02	100⅛	100¼	3,000
" " registered			J & J	....	....	....	....	....
Alabama Central, 1st 6's	1918	1,000,000	J & J	120	Mar. 25,'01	....	....	....
Atlantic & Danville 1st g. 4's	1948	3,925,000	J & J	96	Aug. 6,'02	96	96	2,000
Atlantic & Yadkin, 1st gtd g 4s	1949	1,500,000	A & O	....	....	....	....	....
Col. & Greenville, 1st 5-6's	1916	2,000,000	J & J	121	June 12,'01	....	....	....
East Tenn., Va. & Ga. div. g. 5's	1930	3,106,000	J & J	116¾	Aug. 4,'02	116¾	116¾	3,000
" con. 1st g 5's	1956	12,770,000	M & N	122	Aug. 18,'02	122	122	3,000
" reorg. lien g 4's	1938	4,500,000	M & S	117⅛	June 3,'02	....	....	....
" registered			M & S	....	....	....	....	....
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	128	June 17,'02	....	....	....
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	126¼	June 17,'02	....	....	....
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	121	July 24,'02	....	....	....
" equip. sink. f'd g 5's	1909	818,000	M & S	101¼	July 20,19'	....	....	....
" deb. 5's stamped	1927	3,368,000	A & O	111¼	May 1,'02	....	....	....
Rich. & Mecklenburg 1st g. 4's	1948	315,000	M & N	90	May 7,'02	....	....	....
South Caro'a & Ga. 1st g. 5's	1919	5,250,000	M & S	110⅝	Aug. 26,'02	110⅝	110⅝	2,000
Vir. Midland serial ser. A 6's	1906	600,000	M & S	....	....	....	....	....
" small			M & S	....	....	....	....	....
" ser. B 6's	1911	1,900,000	M & S	....	....	....	....	....
" small			M & S	....	....	....	....	....
" ser. C 6's	1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
" small			M & S	....	....	....	....	....
" ser. D 4-5's	1921	950,000	M & S	102	Oct. 13,'99	....	....	....
" small			M & S	....	....	....	....	....
" ser. E 5's	1926	1,775,000	M & S	114	Sept. 10,'01	....	....	....
" small			M & S	....	....	....	....	....

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			Price.	Date.	High.	Low.	Total.
" ser. F 5's..............1931	1,310,000	M & S	....		....	....	....
Virginia Midland gen. 5's......1936	2,392,000	M & N	116	July 18,'02	....	....	....
" gen.5's. gtd. stamped.1926	2,466,000	M & N	116½	Dec. 30,'01	....	....	....
W. O. & W. 1st cy. gtd. 4's.....1924	1,025,000	F & A	98	Apr. 22,'02	....	....	....
W. Nor. C. 1st con. g 6's........1914	2,531,000	J & J	120½	June20,'02	....	....	....
Spokane Falls & North.1st g.6's..1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl.Ry.N.Y.1stgtd.g.4½'s.1943	500,000	J & D	98½	Aug.12,'02	98½	98½	10,000
Ter. R. R. Assn. St. Louis 1g 4½'s.1939	7,000,000	A & O	114½	Mar. 11,'02	....	....	....
" 1st con. g. 5's.....1894-1944	4,500,000	F & A	118	Aug.28,'02	118	118	7,000
St. L. Mers. bdg. Ter. gtd g. 5's.1930	3,500,000	A & O	115½	May 15,'02	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th 1905	3,055,000	M & S	104	Feb. 15,19'	....	....	....
" 1st gold 5's..............2000	21,936,000	J & D	120	Aug.29,'02	120	120	24,000
" 2d gold income, 5's......2000	963,000	MAR.	100	Aug.21,'02	100	99	45,000
" La. Div.B.L. 1st g.5's...1931	2,661,000	J & J	111	June18,'01	....	....	....
Toledo & Ohio Cent. 1st g 5's....1935	3,000,000	J & J	112½	July 2,'02	....	....	....
" 1st M. g 5's West. div...1935	2,500,000	A & O	112½	Nov.13,'01	....	....	....
" gen. g. 5's...............1935	2,000,000	J & D	109	May 23,'02	....	....	....
" Kanaw & M. 1st g. g. 4's.1990	2,469,000	A & O	96¼	July 8,'02	....	....	....
Toledo Peoria & W. 1st g 4's....1917	4,900,000	J & D	92	Aug.13,'02	92	92	8,000
Tol., St.L.&Wn. prior lien g 3½'s.1925	9,000,000	J & J	90¾	Aug.20,'02	90¾	90¾	1,000
" registered.....................		J & J	....		....	....	....
" fifty years g. 4's........1925	6,500,000	A & O	84½	Aug.29,'02	84½	83	897,000
" registered.....................		A & O	....		....	....	....
Toronto,Hamilton &Buff 1st g 4s.1946	3,280,000	J & D	98½	Aug.14,'02	98½	98	8,000
Ulster & Delaware 1st c. g 5's....1925	1,852,000	J & D	112½	Aug.21,'02	112½	112½	1,000
Union Pacific R. R. & ld gt g 4s...1947	100,000,000	J & J	104⅝	Aug.29,'02	105½	104½	279,500
" registered.................		J & J	104⅞	July 7,'02	....	....	....
" 1st lien con. g. 4's......1911	91,653,000	M & N	112⅝	Aug.29,'02	112¾	108½	14,626,000
" registered.................		M & N	106	Apr. 14,'02	....	....	....
Oreg. R. R. & Nav.Co.con. g 4's.1946	21,482,000	J & D	103	Aug.22,'02	103¼	102¾	17,000
Oreg. Short Line Ry. 1st g. 6's.1922	13,651,000	F & A	125¾	Aug.27,'02	126	125½	10,000
" 1st con. g. 5's.1946.........	12,328,000	J & J	116	Aug.21,'02	117¾	116	19,000
Utah & Northern 1st 7's........1908	4,993,000	J & J	117½	June20,'01	....	....	....
" g. 5's 1926	1,877,000	J & J	114½	Apr. 19,'02	....	....	....
Wabash R.R. Co., 1st gold 5's....1939	31,664,000	M & N	119½	Aug.29,'02	120	118¾	35,000
" 2d mortgage gold 5's...1939	14,000,000	F & A	109½	Aug.29,'02	110½	109	57,000
" deben. mtg series A...1939	3,500,000	J & J	100	July 11,'02	....	....	....
" series B.................1939	26,500,000	J & J	77⅛	Aug.29,'02	78½	76	6,055,000
" first lien eqpt. fd.g. 5's.1921	3,000,000	M & S	107	Aug.19,'02	107	107	5,000
" 1st g.5's Det.& Chi.ex..1940	3,411,000	J & J	109½	Aug. 5,'02	109½	109½	1,000
" Des Moines div.1st g.4s.1939	1,600,000	J & J	97	May 12,'02	....	....	....
" Omaha div. 1st g. 3½s..1941	3,500,000	A & O	89	Aug.19,'02	89	89	2,000
" Tol. &Chic.div.1stg.4's.1941	3,000,000	M & S	98	Mar. 17,'02	....	....	....
St.L., K.C.& N.St.Chas. B.1st6's1908	1,000,000	A & O	110	May 26,'02	....	....	....
Western N.Y. & Penn. 1st g. 5's..1937	10,000,000	J & J	119⅝	Aug.13,'02	119⅝	119½	12,000
" gen g. 3-4's...............1943	9,789,000	A & O	101½	Aug.28,'02	101½	101¼	14,000
" inc. 5's....................1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va.Cent'l & Pitts.1st g. 6's.1911	3,250,000	J & J	114½	Jan. 30,'02	....	....	....
Wheeling & Lake Erie 1st g. 5's.1926	2,000,000	A & O	113	Apr. 28,'02	....	....	....
" Wheeling div. 1st g. 5's.1928	894,000	J & J	112½	Jan. 21,'02	....	....	....
" exten. and imp. g. 5's...1930	343,000	F & A	118	Dec. 24,19'	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's..1949	11,130,000	M & S	96½	Aug.29,'02	97	95½	102,000
Wisconsin Cen. R'y 1st gen. g. 4s.1949	24,635,000	J & J	92½	Aug.29,'02	93	92	301,000
STREET RAILWAY BONDS.							
Brooklyn Rapid Transit g. 5's...1945	6,625,000	A & O	108	Aug.28,'02	109	108¼	12,000
" Atl. av.Bkn .imp. g.5's,1934	1,500,000	J & J	110	Jan. 20,'99	....	....	....
" City R. R. 1st c. 5's 1916.1941	4,373,000	J & J	114	May 28,'02	....	....	....
" Qu. Co. & Sur. con. gtd. g. 5's..................1941	2,255,000	M & N	102	Aug.19,'02	102	102	1,000
" Union Elev. 1st. g. 4-5s.1950	16,000,000	F & A	102¾	Aug.29,'02	103½	102	108,000
" stamped guaranteed......		......	101¼	July 24,'02	....	....	....
Kings Co. Elev. R. R. 1st g. 4's.1949	7,000,000	F & A	88	Aug.21,'02	89	87	12,000
" stamped guaranteed		......	....		....	....	....
Nassau Electric R. R. gtd. g. 4's.1951	10,474,000	J & J	....		....	....	....
City & Sub. R'y, Balt. 1st g. 5's...1922	2,430,000	J & D	105⅝	Apr. 17,'95	....	....	....
Conn.Ry.& Lightg 1st&rfg.g4½'s.1951	8,855,000	J & J	98	Apr. 10,'02	....	....	....
Denver Con. T'way Co. 1st g. 5's.1933	780,000	A & O	97½	June13,19'	....	....	....
Denver T'way Co. con. g. 6's....1910	1,219,000	J & J	....		....	....	....
Metropol'n Ry Co. 1st g. g. 6's.1911	918,000	J & J	....		....	....	....
DetroitCit'ensSt.Ry.1stcon.g.5's.1905	5,485,000	J & J	108	Nov.28,'01	....	....	....
Grand Rapids Ry 1st g. 5's........1916	2,500,000	J & D	....		....	....	....
Louisville Railw'y Co.1st c. g. 5's, 1930	4,600,000	J & J	109	Mar. 19,'98	....	....	....
Market St. Cable Railway 1st 6's, 1913	3,000,000	J & J	....		....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	AUGUST SALES. *High.*	AUGUST SALES. *Low.*	AUGUST SALES. *Total.*
Metro. St. Ry N.Y.g. col. tr.g.5's	1997	12,500,000	F & A	120	Aug.18,'02	120	119⅛	25,000
" refunding 4's	2002	12,780,000	A & O	98¾	Aug.22,'02	99	98¾	65,000
B'way & 7th ave. 1st con. g. 5's,	1943	7,650,000	J & D	118	July 31,'02	....	....	....
" registered			J & D	119½	Dec. 8,19'	....	....	....
Columb. & 9th ave. 1st gtd g 5's,	1993	3,000,000	M & S	122⅛	June 3,'02	....	....	....
" registered			M & S	....	....	....	....	....
Lex ave & Pav Fer 1st gtd g 5's,	1993	5,000,000	M & S	123¼	July 24,'02	....	....	....
" registered			M & S	....	....	....	....	....
Third Ave. R.R. 1st c.gtd.g.4's	2000	35,000,000	J & J	98¾	Aug.29,'02	98¾	98¼	595,000
" registered			J & J	....	....	....	....	....
Third Ave. R'y N.Y. 1st g 5's	1937	5,000,000	J & J	125	July 3,'02	....	....	....
Met. West Side Elev.Chic. 1st g.4's	1938	10,000,000	F & A	101	Aug.25,'02	101	101	8,000
" registered			F & A	....	....	....	....	....
Mil.Elec.R.&Light con.30yr.g.5's	1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's	1919	4,050,000	J & J	110	June26,'01	....	....	....
St. Paul City Ry. Cable con.g.5's	1937	2,480,000	J&J15	114⅛	Nov.14,'01	....	....	....
" gtd. gold 5's	1937	1,138,000	J & J	112	Nov. 28,'99	....	....	....
Union Elevated (Chic.) 1st g.5's	1945	4,387,000	A & O	109⅛	Dec. 14,'99	....	....	....
West Chic. St. 40 yr. 1st cur. 5's	1928	3,969,000	M & N	....	....	....	....	....
" 40 years con. g. 5's	1936	6,031,000	M & N	99	Dec. 28, '97	....	....	....

MISCELLANEOUS BONDS.

Adams Express Co. col. tr. g. 4's	1948	12,000,000	M & S	106⅛	Aug.29,'02	106⅛	105½	6,000
Am.Steamship Co.of W.Va.g.5's	1920	5,452,000	M & N	100¾	June 4,'02	....	....	....
B'klynFerryCo.ofN.Y.1st c.g.5's	1948	6,500,000	F & A	80¼	Aug.22,'02	80¾	80	27,000
Chic. Junc. & St'k Y'ds col. g. 5's	1915	10,000,000	J & J	111	Mar. 7,'01	....	....	....
De.Mac.&.Mar.ld.gt.3½'s sem.an.	1911	2,771,000	A & O	80	Aug.29,'02	80	64	913,000
Hackensack Wtr Reorg. 1st g. 5's	1926	1,090,000	J & J	107½	June 3,'92	....	....	....
Hoboken Land & Imp. g. 5's	1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g. 5's	1919	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's	1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuilding & Dry Dock 5's	1890–1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's	1951	11,580,000	F & A	95¾	Aug.21,'02	97	95¾	12,000
" registered			F & A	....	....	....	....	....
St.Joseph Stock Yards 1st g. 4½'s	1930	1,250,000	J & J	....	....	....	....	....
St. Louis Terml. Cupples Station & Property Co. 1st g 4½'s 5-20	1917	3,000,000	J & D	....	....	....	....	....
So. Y. Water Co. N. Y. con. g 6's	1923	478,000	J & J	101	Feb. 19,'97	....	....	....
Spring Valley W. Wks. 1st 6's	1906	4,975,000	M & S	113½	Dec. 18,19'	....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.								
Series D 4½'s	1901–1916	1,000,000	J & J	....	....	....	....	....
" E 4's	1907–1917	1,000,000	J & D	....	....	....	....	....
" F 4's	1908–1918	1,000,000	M & S	....	....	....	....	....
" G 4's	1903–1918	1,000,000	F & A	100	Mar. 15,19'	....	....	....
" H 4's	1903–1918	1,000,000	M & N	....	....	....	....	....
" I 4's	1904–1919	1,000,000	F & A	....	....	....	....	....
" J 4's	1904–1919	1,000,000	M & N	....	....	....	....	....
" K 4's	1905–1920	1,000,000	J & J	....	....	....	....	....
Small bonds		....	......	....	....	....	....	....
BONDS OF MANUFACTURING AND INDUSTRIAL CORPORATIONS.								
Am. BicycleCo.sink.fund deb.5's	1919	9,234,000	M & S	57	Aug.29,'02	68½	57	298,000
Am. Cotton Oil deb. ext. 4½'s	1915	2,919,000	......	101⅝	July 28,'02	....	....	....
Am. Hide & Lea. Co. 1st s. f. 6's	1919	8,875,000	M & S	99⅞	Aug.29,'02	100	99½	108,000
Am. Spirit Mfg. Co. 1st g. 6's	1915	1,750,000	M & S	91½	Aug.21,'02	91½	89	25,000
Am.Thread Co..1st coll.trust 4's	1919	6,000,000	J & J	82	June25,'02	....	....	....
Barney & Smith Car Co. 1st g. 6's	1942	1,000,000	J & J	105	Jan. 10,19'	....	....	....
Consol. Tobacco Co. 50 year g. 4's	1951	156,466,800	F & A	66¾	Aug.29,'02	66⅞	64⅝	3,660,500
" registered			F & A	65½	Mar. 31,'02	....	....	....
Dis. Co. of Am. coll. trust g 5's	1911	3,590,000	J & J	95½	Aug.14,'02	96	95	80,000
Gramercy Sugar Co.. 1st g. 6's	1923	1,400,000	A & O	99⅞	Apr. 30,'02	....	....	....
Illinois Steel Co. debenture 5's	1910	6,200,000	J & J	99	Jan. 17,'99	....	....	....
" non. conv. d b. 5's	1910	7,000,000	A & O	100	May 2,'02	....	....	....
Internat'l PaperCo. 1st con.g 6's	1918	9,326,000	F & A	107¼	Aug.28,'02	107½	107	33,000

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MISCELLANEOUS BONDS—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	AUGUST SALES. *High.*	AUGUST SALES. *Low.*	AUGUST SALES. *Total.*
Knick'r'ker IceCo.(Chic)1st g 5's.	1926	2,000,000	A & O	98	Aug.25,19'	....	....	....
Nat. Starch Mfg. Co., 1st g 6's...	1920	3,002,000	J & J	104	Aug. 8,'02	104	104	6,000
Nat. Starch. Co's fd. deb. g. 5's..	1925	4,137,000	J & J	94	Apr. 28,'02	....	....	....
Standard Rope & Twine 1st g. 6's.	1946	2,740,000	F & A	68⅝	Aug.25,'02	68⅝	66¾	81,000
" " inc. g. 5's.	1946	7,500,000	......	15	Aug.28,'02	16⅛	14⅛	338,000
U. S. Env. Co. 1st sk. fd. g. 6's...	1918	2,000,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb..	1915	5,280,000	M & N	118⅞	Aug.28,'02	113¾	118⅞	9,000
U. S. Reduction & Refin. Co. 6's..	1931	....	......	85	Aug.28,'02	87⅛	84⅛	41,000
BONDS OF COAL AND IRON COMPANIES.								
Colo. C'l & I'n Devel.Co. gtd g.5's.	1909	700,000	J & J	55	Nov. 2,19'	....	....	....
" Coupons off.................		....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's..........	1919	680,000	M & N	110⅛	Aug.22,'02	110⅛	110⅛	1,000
Col. Fuel & Iron Co. gen. sf g 5's..	1943	5,311,000	F & A	103	Aug.27,'02	104	103	143,000
" conv. deb. g. 5's.........	1911	} 12,069,000	F & A	100	Aug.29,'02	101⅛	98	2,779,000
" registered.................			F & A	....	....	....	....	....
Grand Riv. Coal & Coke 1st g. 6's.	1919	949,000	A & O	115	June 23,'02	....	....	....
Jefferson & Clearfield Coal & Ir.								
" 1st g. 5's................	1926	1,777,000	J & D	105⅛	Oct. 10,'98	....	....	....
" 2d g. 5 s................	1926	1,000,000	J & D	80	May 4,'97	....	....	....
Kan. & Hoc. Coal&Coke 1st g.5's	1951	2,750,000	J & J	105	Oct. 24,19'	....	....	....
Pleasant Valley Coal 1st g. s.f.5s.	1928	1,192,000	J & J	106¼	Feb. 27,'02	....	....	....
Roch & Pitts.Cl&Ir.Co.pur my5's.	1946	1,092,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's..	1912	879,000	J & D	....	....	....	....	....
Ten. Coal, I. & R. T. d. 1st g 6's...	1917	1,244,000	A & O	110⅛	Aug.25,'02	110⅛	110⅛	1,000
{ " Bir. div. 1st con. 6's...	1917	3,399,000	J & J	110	Aug.25,'02	110	108	12,000
{ Cah. Coal M. Co. 1st gtd. g 6's..	1922	1,000,000	J & J	105	Feb. 10,19'	....	....	....
{ De Bard. C & I Co. gtd. g 6's...	1910	2,771,000	F & A	103¼	July 14,'02	....	....	....
Wheel L. E. & P. Cl Co. 1st g 5's.	1919	846,000	J & J	32	Jan. 15,19'	....	....	....
GAS & ELECTRIC LIGHT CO. BONDS.								
Atlanta Gas Light Co. 1st g. 5's..	1947	1,150,000	J & D	....	....	....	....	....
Bost. Un.Gas tst ctfs s'k f'dg.5's..	1939	7,000,000	J & J	80¾	Feb. 20,'01	....	....	....
B'klyn Union GasCo.1stcong. 5's.	1945	14,493,000	M & N	117⅝	Aug.28,'02	118	117⅛	34,000
Columbus Gas Co., 1st g. 5's......	1932	1,215,000	J & J	104⅛	Jan. 28,'98	....	....	....
Detroit City Gas Co. g. 5's.......	1923	5,606,000	J & J	97	Aug.21,'02	97	97	5,000
Detroit Gas Co. 1st con.g.5's.....	1918	381,000	F & A	104	May 24,'02	....	....	....
Equitable Gas Light Co. of N. Y. 1st con. g. 5's............	1932	3,500,000	M & S	118	June30,'02	....	....	....
Gas. & Elec. of Bergen Co. c.g.5s.	1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Grand Rapids G. L. Co. 1stg.5's.	1915	1,225,000	F & A	107¾	Dec. 17,19'	....	....	....
Kansas City Mo. Gas Co. 1st g 5's.	1922	3,750,000	A & O	....	....	....	....	....
Kings Co. Elec. L.&Power g. 5's..	1937	2,500,000	A & O	....	....	....	....	....
} " purchase money 6's....	1997	5,000,000	J & J	124¼	July 7,'02	....	....	....
} Edison El.Ill.Bkln 1st con.g.4's.	1939	4,275,000	J & J	99	June25,'02	....	....	....
Lac. Gas L't Co. of St. L. 1st g. 5's.	1919	} 10,000,000	Q F	108¼	Aug.26,'02	108¼	108	4,000
" small bonds.................				97⅛	Nov. 1,'96	....	....	....
Milwaukee Gas Light Co. 1st 4's..	1927	6,000,000	M & N	95	July 31,'02	....	....	....
Newark Cons. Gas, con. g. 5's....	1948	5,274,000	J & D	....	....	....	....	....
N.Y.GasEL.H&PColstcol tr g 5's.	1948	} 11,500,000	J & D	113	Aug.21,'02	113⅛	112	27,000
{ " registered.....................			J & D					
{ " purchase mny col tr g 4's.	1949	20,889,000	F & A	96	Aug.28,'02	96⅛	96	66,000
{ Edison El. Illu. 1st conv. g. 5's.	1910	4,312,000	M & S	107½	Aug.22,'02	107½	107½	8,000
{ " 1st con. g. 5's............	1995	2,156,000	J & J	120	July 8,'02	....	....	....
N.Y.&Qus.Elec.Lg.&P.1st.c.g.5's	1930	1,930,000	F & A	107	Aug.16,'02	107	106	20,000
Paterson&Pas. G.&E. con.g.5's..	1949	3,317,000	M & S	....	....	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's.	1904	2,100,000	M & N	104	June 7,'02	....	....	....
{ " 2d gtd. g. 6's............	1904	2,500,000	J & D	103⅛	June23,'02	....	....	....
{ " 1st con. g 6's............	1943	4,900,000	A & O	121	May 12,'02	....	....	....
{ " refunding g. 5's	1947	} 2,500,000	M & S	106	Dec. 16,'98	....	....	....
{ " refuding registered....			M & S	....	....	....	....	....
{ Chic.Gas Lt&Coke 1st gtd g.5's.	1937	10,000,000	J & J	108¾	Aug.26,'02	108¾	108¾	1,000
{ Con. Gas Co.Chic. 1st gtd.g.5's.	1936	4,346,000	J & D	108	July 31,'02	....	....	....
{ Eq.Gas& Fuel,Chic.1stgtd.g.6's.	1905	2,000,000	J & J	105	Apr. 28,'02	....	....	....
{ MutualFuelGasCo.1stgtd.g.5's.	1947	5,000,000	M & N	105	July 24,'02	....	....	....
{ " registered..		....	......	....	....	....	....	....
Trenton Gas & Electric 1st g. 5's.	1949	1,500,000	M & S	109	Feb. 8,'01	....	....	....
Utica Elec. L. & P. 1st s. f'd g.5's.	1950	500,000	J & J	....	....	....	....	....

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MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	AUGUST SALES. *High*	AUGUST SALES. *Low.*	AUGUST SALES. *Total.*
TELEGRAPH AND TELEPHONE CO. BONDS.							
Am.Teleph.&Teleg.coll.trust.4's.1929	28,000,000	J & J	97⅛	Aug. 8,'02	97⅛	97⅛	1,000
Commercial Cable Co. 1st g. 4's.2397.	10,943,000	Q & J	100⅛	Apr. 8,'02	....	....	....
" registered........		Q & J	100⅛	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.							
Erie Teleg. & Tel. col. tr. g s fd 5's.1926	3,905,000	J & J	109	Oct. 7,'99	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's.1918	2,000,000	M & N	114⅛	Apr. 28,'02	....	....	....
" registered................		M & N					
N. Y. & N. J. Tel. gen. g 5's.......1920	1,261,000	M & N	113¼	Oct. 4,'01	....	....	....
Western Union col. tr. cur. 5's...1938	8,504,000	J & J	111	Aug.28,'02	111	110	61,000
" fundg & real estate g.4½'s.1950	18,000,000	M & N	106	Aug.29,'02	106⅛	106	45,000
Mutual Union Tel. s. fd. 6's....1911	1,957,000	M & N	111	June17,'02	....	....	....
Northwestern Telegraph 7's...1904	1,250,000	J & J	104	May 9,'02	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME *Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1902. *High.*	YEAR 1902. *Low.*	AUGUST SALES. *High.*	AUGUST SALES. *Low.*	AUGUST SALES. *Total.*
United States con. 2's registered...1930	445,940,750	Q J	109⅞	108¼	108¾	108¾	36,500
" con. 2's coupon............1930		Q J	109⅝	107¾	....	....	......
" con. 2's reg. small bonds..1930		Q J	....	....	....	....	......
" con. 2's coupon small bds.1930		Q J	....	....	....	....	......
" 3's registered...........1908-18	97,515,660	Q F	109⅛	105½	106⅞	105⅞	9,000
" 3's coupon..............1908-18		Q F	110	106½	107	105¾	28,000
" 3's small bonds reg.....1908-18		Q F	107	107	....	....	....
" 3's small bonds coupon.1908-18		Q F	109½	106⅜	106⅜	106⅜	1,000
" 4's registered..............1907	233,177,400	J A J&O	112½	108¼	108½	108½	19,000
" 4's coupon..................1907		J A J&O	113	108¾	....	....	......
" 4's registered..............1925	134,994,200	Q F	139½	132	....	....	......
" 4's coupon..................1925		Q F	139¾	139¾	....	....	......
" 5's registered..............1904	19,410,350	Q F	106½	105¼	....	....	......
" 5's coupon..................1904		Q F	106¼	104	104	104	1,000
District of Columbia 3-65's...........1924	14,224,100	F & A	....	....	....	....	......
" small bonds......................		F & A	....	....	....	....	......
" registered.......................		F & A	....	....	....	....	......
STATE SECURITIES.							
Alabama Class A 4 and 5..............1906	6,859,000	J & J	107	102½	....	....	......
" " small............	....	....	....	....	....	....	......
" Class B 5's...................1906	575,000	J & J	102½	102½	....	....	......
" Class C 4's...................1906	962,000	J & J	....	....	....	....	......
" currency funding 4's.......1920	954,000	J & J	111	111	....	....	......
District of Columbia. See U. S. Gov.							
Louisiana new con. 4's................1914	10,752,800	J & J	107	106	107	106¾	40,000
" " small bonds..........		....	....	....	....	....	......
Missouri fdg. bonds due.........1894-1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's...............1910	3,397,350	J & J	104⅛	104	....	....	......
" small......................		J & J					
" 6's.......................1919	2,720,000	A & O	....	....	....	....	......
South Carolina 4½'s 20-40.............1933	4,392,500	J & J	....	....	....	....	......
Tennessee new settlement 3's.........1913	6,681,000	J & J	96⅝	95½	96⅛	96	52,000
" registered......................	6,079,000	J & J	95½	95½	95½	95½	35,000
" small bond......................	362,200	J & J	95	94	95	95	300
Virginia fund debt 2-3's of...........1991	18,035,896	J & J	99¾	95¼	96⅛	96	54,500
" registered......................		J & J					
" 6's deferred cts. Issue of 1871	4,724,966	....	7¼	7¼	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871.....	7,966,565	....	10½	8	9⅞	9	55,000
FOREIGN GOVERNMENT SECURITIES.							
Frankfort-on the-Main, Germany, bond loan 3½'s series 1......1901	14,776,000 (Marks.)	M & S	95½	94¾	....	....	......
Four marks are equal to one dollar.							
Imperial Russian Gov. State 4% Rente....	2,310,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.							
Quebec 5's............................1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's....................	....	Q J	100	96	98¾	98¾	1,000
Regular delivery in denominations of £100 and £200..........................	£22,407,660	......	....	....	....	....	......
Small bonds denominations of £20	....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.	....	......	....	....	....	....	......

BANKERS' OBITUARY RECORD.

Brown.—Thomas Brown, Cashier of the Bank of California, San Francisco, died August 9. Mr. Brown was born in Washington county, Pa., in 1824. At one time he was connected with the St. Louis office of the banking firm of Page, Bacon & Co. In 1867 he became Assistant Cashier of the Bank of California, having gone to San Francisco a short time before. He soon became Cashier, and was connected with the bank uninterruptedly for thirty-five years.

Cooke.—Ex-Governor Lorrin A. Cooke, of Connecticut, died at his home at Winsted, August 12. He was President of the Winsted Savings Bank. Gov. Cooke was born at New Marlboro, Mass., in 1831. His political career began with his election to the Connecticut General Assembly. He was chosen Lieutenant-Governor in 1886 and was re-elected for a second term. In 1896 he was elected Governor by a majority of 52,000, the highest ever given a candidate of his party. Gov. Cooke was also largely interested in business and religious affairs.

Darling.—Lyman N. Darling, President of the Pawtucket (R. I.) Institution for Savings, died August 10. He was engaged in numerous and extensive business enterprises, and was highly regarded for his character and abilities.

Darlington.—Jared Darlington, President of the Charter National Bank, Media, Pa., died August 4.

Griffen.—T. Larkin Griffen, President of the First National Bank, Hartford, Ky., died August 12, aged fifty years.

Jeffrey.—Wm. Jeffrey, President of the People's Exchange Bank, Elmdale, Kans., died August 8, aged 80 years.

King.—L. F. King, Vice-President of the Bank of Scotland, S. D., died August 6.

Koester.—Chas. F. Koester, President of the Exchange Bank, Marysville, Kans., died August 15. He was elected register of deeds for four consecutive terms and was twice chosen county treasurer.

Leigh.—Hon. James H. Leigh, of Hallowell, Me., died July 22, aged seventy-six years. He had been city collector, treasurer and mayor, and was President of the Northern National Bank, of Hallowell, at the time of his death.

Palmer.—W. H. Palmer, Cashier of the First National Bank, Houston, Tex., died August 31. His death occurred in California, where he had gone in search of health.

Ropes.—Edward D. Ropes, President of the Salem (Mass.) Savings Bank, died August 8. He was born at Salem in 1838. He was a member of an old Salem firm engaged in shipping and merchandising.

Sands.—C. Spriggs Sands, Cashier of the Traders' National Bank, Clarksburg, W. Va., died August 11. He was born at Fairmont, W. Va., in 1863, and was a son of Joseph E. Sands, for fifty years Cashier of the First National Bank of Fairmont. He was a brother of Lawrence E. Sands, Cashier of the National Exchange Bank, Wheeling, W. Va., and of Oliver J. Sands, President of the American National Bank, Richmond, Va. After leaving school, the late Mr. Sands entered the First National Bank at Fairmont, in 1880, and was gradually promoted to the position of Assistant Cashier. In 1891 he took an active part in organizing the Traders' National Bank, of Clarksburg, W. Va., and was elected Cashier. He had other extensive business interests, and was widely known and universally esteemed.

Sargent.—Edward B. Sargent, President of the First National Bank, Merrimac, Mass., died August 9. He was born at West Amesbury (now Merrimac), Mass., in 1852, and had always resided there.

Stowell.—John C. Stowell, Vice-President of the First National Bank, Ithaca, N. Y., and one of the original directors of the bank, died August 26, aged eighty-six years.

White.—George W. White, President of the Mechanics' Bank, Brooklyn, N. Y., died August 20, aged seventy-three years. He became a clerk in the bank when it started in 1852, and five years later was made Cashier. Since 1888 he had been President.

THE

BANKERS' MAGAZINE

RHODES' JOURNAL OF BANKING and THE BANKERS' MAGAZINE Consolidated.

FIFTY-SIXTH YEAR. OCTOBER, 1902. VOLUME LXV, No. 4.

THE SOUTHERN STATES occupy a considerable amount of space in this issue of the MAGAZINE, but the products and industries of this section of the country are important enough to justify even greater attention than it is possible to give them within the limits of this publication.

In its climate, soil, mines and forests the South has all the elements for sustaining a vast human population. The natural resources of the country have not been exploited to the same extent as in other sections of the Union. There is no doubt that the development of the South was greatly retarded by the Civil War. This, of course, was a hardship to the past generation, but not without some compensations. The capabilities of the country are susceptible of a more profitable return than would have been the case had there been no interruption of growth. It is the difference between a virgin mine and one whose deposits of ore have been partially worked over. But the South has not stood still by any means. We quote some figures elsewhere showing that in agriculture, in the production of lumber, and especially in manufacturing, the past ten or twenty years have witnessed remarkable gains.

Heretofore foreign immigration has not gone to the South to anything like the extent that it has sought the wide and fertile areas of the West; but the West no longer offers the favorable opportunity for procuring land that has prevailed in the past. The South has sometimes boasted of its high percentage of native born Americans—and that is certainly a matter in which any part of the country might justly take pride—but it is probable that in the future the population of the Southern States will be recruited more from European sources than was the case in the last quarter of the century just closed. That such a tendency would be beneficial would depend to some extent upon the character of the immigrants. The Northwestern States have been greatly benefited by the large number of German and Scandinavian

settlers, as well as by those from other nations, those named, however, forming the preponderating element.

The South has a genial climate, fertile soil and many other features that ought to be attractive to the home-seeker either from foreign lands or from other States of the Union not so well favored by Nature. There is room, too, for many millions of people without crowding. We believe that some one with a mathematical turn of mind has calculated that all the people of the earth might be accommodated in the State of Texas and still give considerable space to each inhabitant. Whether this computation be accurate or not, there is no doubt that Texas and other Southern States could sustain a much larger population than they now have. There is perhaps no country where a competence may be so easily acquired as in the South. There is neither the enervating climate of the tropics nor the rigor of a northern winter, but a mild and equable temperature that gives opportunity for out-door work all the year round. Everything required for the sustenance of mankind abounds in profusion.

The South has done well in the past ten or twenty years, but in a like period in the future will do still better. Capital is being attracted in an increasing volume as its rewards are becoming more sure, and the energies of the people have been stimulated by the demonstration of the possibilities opened up by the new era of industrial development.

New Orleans is the South's great mart, and is besides a city possessing many interesting features. It will doubtless afford the bankers of the country a great deal of pleasure and profit to visit the Southern Metropolis next month and to mingle with a people whose hospitality is proverbial.

THE DESTRUCTION OF TRUSTS, or rather of the American trusts that have raised this country to such a high standard of industrial efficiency, is regarded with manifestations of approval abroad. In its issue of September 6 the London "Economist" comments very clearly and reasonably on the President's recent utterances in regard to trusts, but reaches this conclusion :

"May it not therefore happen that the result of the movement which Mr. Roosevelt has inaugurated will be to convince him and his fellow countrymen that in the reduction of the tariff rather than in special legislation lies the best remedy for most of the abuses which they feel or apprehend ?"

This is entirely logical from a British standpoint. But how are Americans to be benefited by a policy that breaks down our own industrial corporations and opens our markets to the trust-made wares of Europe ? The fact that the campaign against trusts in this coun-

try is being received with so many demonstrations of approval on the other side should at least make Americans thoughtful. There are possibly some evils in the large aggregations of capital commonly called trusts, though in these prosperous times one would need a microscope to see them. When the time comes to apply the remedies for whatever evils experience may develop, it is hardly probable that the American people will act on the supposition that they would be better off by buying from a trust located in Great Britain or the European Continent instead of on American soil.

THE HIGH RATES FOR MONEY prevailing in New York in the latter part of September have served to call renewed attention to some of the defects in our currency and banking system. Efforts have been made to relieve the situation by appeals to the banks to borrow bonds to be used as a basis of circulation, and the Secretary of the Treasury has increased the Government deposits in the National banks and announced his readiness to anticipate payment of interest on the public debt, also to purchase the five per cent. bonds of 1904, to suspend the requirement that the banks shall hold a reserve against United States deposits, and also to accept other security for these deposits provided the bonds so held are used as a basis for increasing circulation. These palliative measures have had some effect, but no permanent or adequate relief in such periods of stringency can be expected until the present sub-Treasury system is either modified or completely abolished and provision is made for the issue of bank notes in some way that does not call for a greater cash outlay than the notes permitted to be issued.

It is well to remember, however, that the recent high rates for money were not wholly baneful in their effects. Stock speculation had already proceeded to a limit which conservative opinion regarded as not being free from dangerous possibilities, and prices have ranged for some time close to the top notch. If bank credits had gone on expanding, where would this inflation have stopped? The out-of-town demand for money for the most legitimate purposes for which money and credits can be employed—the transmission of staple commodities from the producer to the consumer—is not an unmitigated evil at this time. In fact, there are those who contend that the surplus money of the country can be more legitimately and safely employed at this season of the year in moving the crops than in booming prices in Wall Street. Opinion on this matter might vary somewhat with the point of view, but it is hardly open to question on which side the balance of sound judgment would incline.

Elasticity of the currency is a term that rolls very glibly on the

tongue of the currency reformer; but too often those who talk of elasticity as applied to the currency simply mean a currency that will expand indefinitely. Contraction by a proper system of redemption is not taken into consideration. No doubt many of those who talk about an elastic currency would be as strongly opposed to redeeming their notes as those bankers were who in the days of State bank notes used a shotgun occasionally to dissuade importunate noteholders from pressing their claims.

So long as we have a large element in our paper circulation not subject to ordinary commercial redemption, like the present volume of National bank notes, legal-tenders and other forms of paper, the periodic strain at the country's chief money centre will not be without beneficial results. It tends to hold the banks within proper bounds, and gives the too confident speculator a strong reminder that at certain seasons of the year, at least, he is liable to be brought from the alluring regions of cloudland to the prosaic but solid earth. Thus the recent monetary flurry may not be an unmixed evil after all.

But what has been said in no wise minimizes the defects in our currency and banking system, which are far from being imaginary. It is not merely the stock speculator who suffers from the autumnal scurry for cash—were he the only sufferer the situation might be regarded with a great deal of complacency by those engaged in ordinary business enterprises—but every branch of trade and industry is more or less restricted and hampered by the inability of the banks to meet the sudden and heavy demands made upon them. The laws render it difficult for the banks to extend any material aid to the money market. There is no substantial profit in issuing their notes, and the condition that a bank must invest more in bonds than it can issue in notes precludes any very great amount of relief from that source. Besides, the cash that would ordinarily flow into the banks is locked up in the sub Treasuries.

The semi-panicky conditions manifest in New York at certain seasons may be approximately calculated in advance. Is it possible that there is some lack of foresight in providing for these contingencies? Knowing that the financial equinoctial storm was about due, have the banks been slow in preparing for it? Surely, in the face of so many regularly recurring seasons of financial stress, the plea of ignorance can not be put forward in extenuation of the state of unpreparedness to meet the situation.

We believe it was that sound Indiana banker HUGH MCCULLOCH who said that a bank could make no better investment than a high percentage of cash reserve. Carrying a high reserve in ordinary times, a bank is always ready to meet the exigencies of unusual occasions. But a bank that habitually keeps a reserve close to the legal

minimum is powerless to meet exceptional calls. And a bank so conducted would be just as helpless even though it were permitted to issue asset currency. It is the power held in reserve—whether in notes or coin—to meet emergencies that tells, and this is a question of management, primarily, rather than one of the system under which a bank may operate. The recent large reduction in the bank deposits held by New York banks shows that these institutions are sending large amounts of cash out of town. However, in view of past experiences, it is conceivable that the banks might have been better prepared to meet the situation than they seem to have been.

There is nothing of course unusual in the recent monetary situation in New York. The conditions are only a duplication of those prevailing at certain seasons every year, aggravated somewhat by the extraordinary activity of business. The conditions are temporary, and with the return of money which will soon set in the usual equilibrium will be restored.

NATIONAL BANK NOTES AS RESERVES are being favored by some bankers. It must be admitted that the objections to counting the notes of other banks as a reserve are rather more theoretical than practical, under our existing system of mixed currency. That the National bank notes are good beyond question no one can deny.

But the country has suffered already to such an extent because of miseducation on financial matters that it is questionable whether it would be safe to make even what would seem to be so reasonable a concession as this. National bank notes are redeemable in legal tender, and this includes silver dollars. Of course, as the latter may be used as reserves also, this objection has not much practical force.

The expense of redeeming National bank notes is perhaps greater than it should be, and is a source of considerable annoyance.

The principal motive for returning the notes for redemption is the desire on the part of banks in the reserve cities, especially, to build up their lawful money reserves. The annual redemptions are now very small, and with this incentive wanting there would be practically no redemption of National bank notes. Instead of taking away this present slight motive for redemption, it would probably be better to require the banks to redeem their notes in gold. Whatever tends to keep the volume of paper circulation fixed at a certain minimum disregards the fluctuations of business.

Gold coin and gold certificates meet every requirement of safety and soundness for bank reserves—a statement that can hardly be predicated of any other of our numerous kinds of currency, for it is only in comparatively recent years that the legal tenders have been worth

their face, and the people have been heavily taxed, even more recently, to keep them at par.

There is still a considerable difference between legal-tender notes and gold certificates. When the latter are paid out or issued the Government has in its custody the coin for their redemption; but under certain contingencies, which have happened before and may happen again, it may be necessary to sell bonds to procure the gold for redeeming the legal tenders.

THE ACTION OF SECRETARY SHAW in seeking to throw upon the banks the relief of the money market, by inviting them to issue more circulation, does not seem to be good policy, either politically or economically. As far as the banks are concerned it is almost equivalent to the command of Pharaoh of the hard heart, to make bricks without straw. It is true that under the independent Treasury system the banks in the money centers, where the strain of tight money caused by the locking up of revenue is first felt, have been through a long course of years trained to look to the Treasury for relief. They may have exercised themselves in helplessness as a virtue more than was really necessary. Nevertheless, they have a very reasonable excuse for themselves. The laws of the country place us in this disagreable situation periodically, and why should not the Government making and executing these laws help us out. For years, whenever the surplus accumulating in the Treasury has drawn down the money supply at the money centers until the public begins to feel the high rates for money, the Secretary has paid interest in advance, has purchased or redeemed bonds, or has deposited Government funds with the National bank depositaries, and thus afforded a relief more or less inadequate. Secretary SHAW does not refuse to do these same things, but he also turns on the National banks and says to them, why do you not help yourselves? If you want more money you have the privilege of issuing it if you only comply with the legal conditions. You can issue circulating notes up to the amount of your capital; you have only issued about half of what you might issue. If you expect a tight money market, why don't you prepare for it? Order the notes printed; the Comptroller will keep them on hand ready for you; when the pinch comes, send in bonds and get the circulation, issue it and the market is relieved.

In one sense this reasoning seems plausible enough. If money gets so tight that the holders of bonds are willing to sell them to the Secretary, it seems plausible that they would lend them to the banks so that the banks could get circulating notes. But the reason the Secretary does not wish to buy bonds is because he has to pay a high

premium for tuem. The bondholders are not always or usually the people who are in distress for money. If they are in a condition to ask a high premium of the Secretary when he wishes to purchase, they can also ask the banks who wish to borrow a large interest. The law not only works for the locking up of money, but it also imposes restrictions on the use of bonds by the banks seeking to relieve the situation by issuing circulation. If a bank could retire circulation issued as soon as the press was over and withdraw the bonds borrowed to secure it, so as to return them to the owner, then the banks might be better able to do as Secretary SHAW wishes them to do. But the law forbids the retirement of over three millions of circulation in any one month. Suppose the banks borrow twenty millions of bonds and issue an equal amount of circulation, some of them would be obliged to hold part of these bonds seven months, when the emergency might be over in less than a month. The Secretary seems by his advice to be tempting the banks into a trap. But this advice seems to be the more disingenuous because it seems to be offered for political effect. When the stringency at the money centers becomes so great as to affect the country generally, the Secretary of the Treasury and the Administration get the blame. Mr. SHAW seeks to forestall the blame which he perceives may be visited on the Treasury by arranging matters so as to be able to lay the blame on the banks. Did I not advise them to prepare? If they had taken my advice this never would have happened.

As an indication that the Secretary has political effect in view, paragraphs like the following are appearing in the Republican papers throughout the country: "Statesmen and politicians are watching with a good deal of interest the experiment which has just been inaugurated by the Secretary of the Treasury in inviting the banks which in the past have been in the habit of calling on the Treasury in every difficulty, to help themselves. The banks have notified the Secretary of the Treasury that there is a growing tightness of the money market as a result of large shipments of money to the West to meet the necessity of moving a large crop. They expected that Mr. SHAW, as his predecessor would have done, would immediately deposit large sums of Government funds in their hands. On the contrary, the Secretary has pointed out to them their ability to meet the deficiency in currency by issuing their own notes. Under the law National banks can issue bills to the amount of their capital stock, and as the aggregate stock of the National banks is $700,000,000, bills to that amount could be issued by them. As a matter of fact the outstanding bank notes amount to but $358,000,000, so there is a margin of $342,000,000 to draw on." It is rather startling, after all the pains taken in the campaigns of the Republican party since 1896 to remove

the prejudice against the banks started by the greenbackers and silver men, to encounter such a tissue of misrepresentation as is this paragraph in Republican papers. There is no necessity of pointing out the utter falsity of the conclusions which any one ignorant of the situation would draw from this paragraph. The Republican party is interested in preventing the financial distress which will ensue if the stress on the money market caused by the accumulation of Treasury surplus is not relieved. If such distress occurs it might be an object lesson showing the necessity of changing the laws which govern the handling of Government funds by the independent Treasury. But this direct effort to shield the Treasury and throw the blame on the banks seems to indicate that Secretary SHAW is listening to the advice of the Treasury bureaucracy which to save their places would fight bitterly for the retention of a bad law. The influence of the Treasury bureaus in retaining the greenback is well known, and the same influences may be expected to work to their uttermost for the retention of the independent Treasury.

THE ANNUAL CONVENTION of the American Bankers' Association is to be held next month in the city of New Orleans. The first quarter century of its existence has been successfully passed by this organization, and its success so far has at least equalled all that could have been expected by its originators. It is not directly a money-making institution, although indirectly it has conduced to the success of the banks. The bank itself is the money-making machine, and the successful working of its machinery depends on the conditions that surround it. The clearing-house association is the first institution which arose from the exertions of the banks directed toward mutual assistance. The clearing-house does not directly make money in the sense that a bank does. It has no capital and pays no dividends, and is supported by the dues of the associated banks. No bank belonging to a clearing-house grumbles at the membership dues it pays, because there is no direct dividend returned. The clearing-house returns are received in the convenience it affords in the transaction of business. Each bank member can make a pretty close guess as to how much the clearing-house saves and brings in for it during the year.

The American Bankers' Association, like the clearing-house, is sustained by the contributions of its members. It has no capital and pays no dividends The benefits conferred by it as an organization for the protection of the larger and less definable interests of banking are not so patent as those of the clearing-house, but they are no less real. Some of its work, like that of protection against criminals, is more obvious than its efforts for favorably affecting public and legis-

lative opinion, in ameliorating taxation, and in shaping the monetary questions which may seriously affect the banking business. Its work in encouraging *esprit de corps* among bankers and in teaching them their mutual dependence has been of immense value, though it is of such a nature that its real profits come out under different heads. In another part of this issue is an article on the past and future of the association, showing the relations of its work to the profit of the banking business.

THERE ARE NOT MANY of the bankers who organized and gave prestige to the American Bankers' Association in its earlier days who still survive. It was the custom during this decade to continue the same men in the executive council from year to year. The council originally consisted of nine members, and was soon extended to twenty-one. It would be interesting to invite those of the officials of this period who are still alive to attend the convention in New Orleans, and it would not be much of a burden on the funds of the association to pay their expenses. The increase in the membership of the association and the continually changing personnel of the banking community render the delegates forgetful of the men upon whose early efforts the success of the association very much depended. Nor will the words of these survivors, if they can be induced to attend the convention by being shown the necessary consideration, prove valueless in further building up the prosperity of the organization. The vicissitudes of business have perhaps placed some of these men outside of the banking guild, and others have retired to enjoy a well-earned leisure. Some of these no doubt feel a hesitation in entering, in what may be called a private and individual capacity, a scene in which they once filled a conspicuous place. There are some of these survivors who still fill high places in the banking fraternity, but they perhaps may be averse to coming upon scenes from which so many of their old associates are missing. A gathering of the veterans, whatever has been their later fortune, cannot fail to prove of interest to the convention, and it would certainly prove of value to the association. Through their reminiscences the virtues and abilities of those who no longer survive may be revived for the contemplation of the present generation of bankers. The proceedings of the various conventions since that of 1889 are very difficult to procure. It would no doubt meet a large demand if these proceedings were printed in book form with a good index. They contain very valuable material on financial and economic topics, which cannot be obtained elsewhere. As indications of the condition of banking opinion on germane questions, the papers and discussions in the proceedings cannot anywhere be equalled.

THE SHORTAGE OF CURRENCY is being made a pretext for reviving the old accusation against the National banks—that while they possess the exclusive privilege of issuing circulating notes, they do not exercise it to the extent of furnishing the money demanded by the business of the country. Like the dog in the manger, the National banking system, it is said, neither supplies currency nor will it permit currency to be supplied by any other system. As a matter of fact this accusation has a basis of truth, and naturally the bankers and stockholders who invest their capital under the authority of the National banking laws are blamed.

In the public mind it is difficult to separate those who do the best they can under the system, from the system itself. It is easy for politicians and demagogues to throw the blame of the monetary troubles resulting from the faults in the banking and financial laws on those who, if they do business at all, have to pursue it under those laws. The National Banking Law gives to the banks organized under it the exclusive privilege of issuing bank notes to circulate as money. All other banks and corporations, firms and individuals are prevented from issuing promissory notes to circulate as money by the prohibitive tax imposed on all who use such issues. But the privilege of which the National banks thus have a monopoly is not an unlimited one. It is surrounded by such conditions and restrictions as to deprive it of almost all value. Before a note can be issued an equal amount in United States bonds, at their par value, must be deposited. When these bonds brought a rate of interest nearly if not quite equal to the current rate received for bank loans, there was profit to the banks in issuing notes. But the realized rate on United States bonds is now hardly equal to one-third of the average current rate on bank loans, and the banks cannot comply with the bond deposit condition without the risk of incurring loss. Instead of a privilege the right to issue circulation is a burden, more especially as it is made the pretext for decrying the banks because they find it impossible to furnish at all times the amount of notes required. It is mockery when a currency famine is imminent to call upon the banks to avert it by note issues. They cannot issue notes without United States bonds, and the bonds are not to be had promptly, if at all. Nor are the banks responsible for the inability of the money market to meet extraordinary demands. There would seldom, if ever, be any lack of money to meet business demands were it not for the laws under which the revenues of the country are collected and the public moneys held. The independent Treasury system gathers in the revenues in excess of expenditures and segregates large sums of money from the general supply available for business wants. The money gathered by the Treasury represents bank reserves, and causes a fourfold contraction

of loans. The banks cannot issue their notes to supply the deficiency, because they cannot obtain bonds. They are also restricted in their attempts to obtain deposits of public funds by the same difficulty of obtaining bonds. It is an interesting spectacle, a banking system so restricted and guarded lest it defraud those who take its notes, or the Government depositing money with it, that it can neither issue notes nor accept deposits. It is a curious inconsistency in the law which allows the banks to receive deposits from individuals without giving security, while Government funds cannot be received without putting up United States bonds. The National banks have really no more power to relieve the situation by the issue of circulation than the State and private banks. The banks of the reserve cities can, however, borrow gold from abroad to relieve the situation if the high rates do not of themselves attract the gold to this market. If they have to put up bonds to secure Government funds or to issue notes, the banks might better use the bonds to borrow gold from abroad. They would not be confined to United States securities in making such a loan, but could use any good collateral. The transactions could be completed without the expense and delays attendant on issuing currency or borrowing public moneys. In fact, it is rather surprising that the associated banks of New York have not long since turned from their unsatisfactory dealings with the Treasury and used the power they possess to relieve the money market by calling in gold from abroad. It is certainly in the power of the banks to help themselves in this way.

THE CAUSE OF THE MONETARY STRAIN in New York is the increase in customs receipts and the failure of the legislation reducing the internal revenue taxation to be attended with the results that were expected. The customs receipts for the year have increased over those for a corresponding period in 1901 by twenty-one millions, and the internal revenue receipts, which by the repeal of the war taxes were expected to show a reduction of $75,000,000, have shown a reduction of some $30,000,000 only.

In a country of growing business and of large undeveloped resources, in prosperous times it is impossible to foretell what may be the result of reductions in taxation short of entire repeal; and yet those whose duty it is to make up the estimates on which taxation is based, being like other men no prophets, can only endeavor to judge of the future by the already gathered statistics of the past. There seems to be no better exemplification of the foolishness of wisdom than the calculations and estimates as to the effect of changes in the internal revenue taxation. The New York money market is more affected than

any other because it is estimated that more than three-fifths of the revenues of the Government are paid in New York city, and probably this does not cover the total draft on the New York banks and financial institutions. This represents payments directly made in New York city, and payments in other places comprising the other two fifths of the Government revenues are frequently made in a form that ultimately is a draft on some New York correspondent. New York is the great financial heart to which the circulation flows, and it feels first the undue absorption of money into the Treasury surplus. But the whole system trembles when the vital center is weakened, and it therefore is useless to lay much stress on where the revenues are paid, as money segregated by payment of revenue at any point results in effects which reach to every part of the monetary system.

The increased importations of foreign goods are the natural consequence of the prosperity of the country. When good times prevail increased income leads to increased expenditure, and foreign markets are ransacked to stimulate the desire to purchase. There is also no doubt that this condition is taken advantage of by the foreign manufacturer, and that the natural impulse to buy is stimulated by the desire to secure a footing in the American market.

Perhaps the influence of the Treasury surplus, deplored as so depressing to business, may have its advantages in preventing too rapid expenditure of the profits of prosperous times. If there was no check whatever on the money market, if money was always plentiful and credit continually expanding, confidence might become too unbounded and the country become exposed to serious disaster. But with the operations of the Treasury producing artificial hard times at short intervals, the business men of the country become circumspect and cautious and not likely to be dazzled by the short periods during which low rates for money prevail. No situation is so bad but that some advantage may be extracted from it, and doubtless a plausible argument could be made as to the advantages of the locking up of money under the workings of the independent Treasury law. The circumspection and caution in which our financiers and business men are trained by our system will be invaluable in the contest for international monetary supremacy. The probability is that with the growing antipathy of Congress to new financial legislation the prejudices in favor of the various parts of the monetary system will prevent any of them from being abolished.

BAGEHOT in "Lombard Street" insisted that the dependence of the joint-stock and private banks of the United Kingdom on the Bank of England for their cash reserves was a great misfortune, and led to a thoroughly defective system of banking, though one with which—thanks to the identification of the Bank of England with the State—

the whole commerce of the country is now so bound up that it is impossible to alter it. Put banks of this country for the joint-stock and private banks of the United Kingdom, and independent Treasury for Bank of England, and there is a very fair parallel in the United States of the thoroughly defective system of banking of which BAGEHOT complained. It is even worse here, for while the reserves held by the Bank of England may be inadequate, they are available, while the reserves of which the independent Treasury deprives the National and other banks cannot be obtained at will. But the main point is that so superior an observer as BAGEHOT despaired of any improvement, and it is evident that the same causes—custom, habit and long precedent—are in force here with the addition of great popular and political prejudice against banks and legislation supposed to be favorable to them. There is something extremely absurd in this prejudice which insists that provisions of law really for the greater protection of the public are in some way a favor to corporations to whom the same public entrusts its money.

These unfortunate banking conditions exist and cannot apparently be cured by legislation. It rests with the banks themselves to devise means to obviate the difficulties engendered by such a state of affairs. The banks of this country have been accustomed to devise means of greater convenience and safety, and if the hopelessness of relying on political and legislative assistance is once admitted, they may take steps to help themselves under the provisions of law as they now stand.

THE ANNOUNCEMENT OF ABUNDANT CROPS for the year 1902, for which prices are expected to be good, has a great influence in maintaining confidence. The United States depends more upon its agricultural productions than upon its manufactures for its continued prosperity, though both form the foundation upon which that prosperity rests.

There is, however, reason to believe that the reports of the crops have been somewhat favorably exaggerated. The year has been a peculiar one agriculturally. The weather has not been extremely warm nor extremely cold. There has been in some parts an excessive rainfall and in others excessive droughts. When the season is at an end and the crops actually stored, the real damage which has been sustained from the peculiar conditions of the season will be known. The year undoubtedly started out with an increased acreage under cultivation. If all this had come through under average favorable conditions of cultivation, growth and harvest, probably no year in the past history of the country would have shown so great results. But in almost every section there have been drawbacks of one kind or another, and it seems impossible that the optimistic reports as-

to the harvests now prevalent should be altogether true, however much it is hoped that they are. To strengthen this surmise there is the general fear that the country depends on these harvests to enable it to continue its career of prosperity. Foreign critics of conditions here have been speculating on the danger to the continuance of prosperity from the great extension of the financial operations of the trusts and combinations. They have been disappointed in their pessimistic predictions and comfort themselves with the assertion that the predictions were all right, but that the unexpected crops of this country and the relation of these crops to those of other parts of the world have postponed the expected calamity. It seems as if they might have recollected that the United States generally has crops in the fall, some part of which can be sold abroad for fair prices, and that prophecies of evil might have been qualified in advance as easily as excused after the event.

But we do not believe that the financial people who are at the head of the business interests of this country altogether forgot the effect that abundant crops or the reports of them have on business operations. It is in wide views of the business situation that the leaders of monetary affairs in the United States excel. They well understand also that the reports of things through the regular accepted channels will have all the effect of reality. No one can in so vast a country as the United States know the actual condition of the crops. These reports are collected from local agents who are not infallible judges even in their own districts, and whose judgments may take a wide latitude even without any conscious dishonesty.

The feeling that the prosperity of the country is this year more or less dependent on the success of the crops has no doubt had a strong influence in encouraging optimistic reports. It is probable that the returns from agricultural products will this year be fair. But it is probable that there will be very large quantities of damaged products that will seriously trench on the optimistic expectations of many. These damaged products are not, however, a total loss, and the best use of them at home may in the long run be more profitable to the country than if too large a quantity had been fit for immediate export. It is to be hoped that the system of controlling all sources of public information in the interests of particular kinds of business may come to an end. The desire to influence the public mind by reports supposed to be reliable, but which are really more or less censored, to say the least, will end in incredulity as to any statistics whatever. Moreover, the fact will sooner or later put an end to the semblance of fact and sometimes with very serious results to those who have placed reliance on the latter. Besides, the crops, while an important factor, are not the only factor upon which prosperity depends, as our foreign critics seem to think.

BORROWING GOLD TO RELIEVE THE MONETARY STRINGENCY.

The amount of gold coin and bullion in the United States available as money continues to increase steadily. On September 1 the amount reported by statistics furnished by the United States Treasury was $1,203,511,751. Of this $571,302,633 was in the Treasury and the balance, $632,209,118, was estimated to be in the banks and in the hands of the people. Of this latter sum $323,118,823 was held on July 16, 1902, by the National banks. Of the sum in the Treasury $306,644,939 was in circulation as gold certificates, leaving net gold in the Treasury amounting to $264,657,694. It is said that the amount of gold held by the Treasury exceeds the largest sum held in any other one place. The Bank of France holds the next largest amount, viz., about $514,000,000. The paper outstanding against the gold in the United States Treasury bears a larger proportion than that outstanding against the gold of the Bank of France. Owing to the demand for money in the central money markets there is a probability that additional gold will be imported. Such importations afford the only possible relief from monetary stringency. In the past, whenever the Government could conveniently do so, it has purchased bonds or advanced interest or made deposits of public funds with the banks. The condition of the public debt and the bond market has for some time tended to make it very difficult for the Secretary to purchase bonds, and advances of interest do not amount to much. The same causes that restrict bond purchases also make it difficult for the banks to procure bonds to use as security either for circulation or to obtain the deposit of public moneys. The methods heretofore adopted by the Treasury for the relief of the money market will be more and more difficult of application as the proportion of the debt of the United States to the wealth of the country grows smaller. The only radical cure for these periodical accumulations of surplus revenue that so inopportunely deplete the reserves at the money centres, is in reduction of revenue, or some provision for depositing the money in the banks instead of the Treasury itself. These changes will require legislation, and the time necessary to obtain such legislation, who can tell?

If, however, Congress does not take steps to obviate the inconveniences attendant on the collection of the present revenue and will not reduce the revenue, it will be necessary for the banks to invent some way of relief to the money market which can be applied without the help of the Treasury or of Congress. Already gold is coming from foreign countries to fill the gap caused by the payment of revenue. High rates naturally attract money from all parts of the world where the rates are less. The gold now being imported comes from Australia. It is deposited in the Sub-Treasury at San Francisco, and drafts on the Sub-Treasury in New York are received for it. Of course, if the pressure of the money market continues and relief is not afforded by the issue of bank notes or by any of the means heretofore adopted by the Secretary of the Treasury, direct importations from Europe may follow. Consider-

ing the fact that the bonded debt of the United States, held as it is, and in large part already in use as security for National bank circulation and for deposits of public money, it is probably more the inability of the Secretary to afford relief rather than his unwillingness as a matter of policy, that has caused Mr. Shaw to make his appeal to the banks to take out additional circulation. If there are no bonds for sale, the money market cannot be relieved by bond purchases, and if the banks cannot put up bonds for security the Secretary cannot deposit public moneys.

It is of course possible that the stringency of the money market may reduce the price of bonds and increase the amounts obtainable so that the Secretary can make purchases, and the banks secure them to deposit for circulation or public money. But a pressure to effect this result must be very severe and of such a character as seriously to interfere with business, if not actually causing a financial crisis. In the future, unless there are new issues of bonds, it may be expected that the use of United States bonds to relieve the money market will become more and more precarious as a reliance. The only new bonds now likely to be issued, and these not in the very near future, are the bonds for the construction of the interoceanic canal. Even if these are issued, they will afford only temporary relief. The debt of the United States bears such a small proportion to the wealth and business of the country that to depend on it entirely for regulating the fluctuations of the money market ought to be recognized by this time as extremely unwise. The theory on which the finances of the United States have been conducted since the adoption of the independent Treasury system, is to avoid as far as possible all dependence on the banks. There can be no consistent State help for the banks, unless the latter are regarded as part of the machinery of Government monetary operations. This being assumed to be true, the banks, on the other hand, should recognize the situation and perceive that it is necessary for them to adopt some method which will, without having to appeal to the Treasury, enable them to control the unfavorable situations which arise from the fluctuations in the collection and expenditure of the public revenues. It may be said that the banks of the money centres, the depositories of the surplus of the whole country, while they are undoubtedly most directly exposed to inconvenience and danger from the inequalities of the flow of money into and out of the Treasury, often have opportunities of making a profit from these extreme situations. Some of these banks are perhaps so powerful that they do not care. By the use of the clearing-house associations they can save themselves and their weaker associates from the worst consequences. But the worst of it is the weaker banks throughout the country and the business community have to pay the price.

If the power of association, exercised hitherto only when absolute destruction seems to impend, were used to ward off the conditions that threaten this destruction, it is probable that in the long run all the banks would enjoy greater prosperity. The profits now made cannot equal the profits which would come were business prosperity made more secure, by provisions effectively preventing the extremes of the market. Every crisis seems to be followed by a period of inaction, during which reserves pile up and are unusable. The losses during these periods must exceed the short gains of the high-rate periods.

As has been suggested it seems to be in the power of the associated banks of the money centres, with their great resources and credit, even if they can-

not issue circulation or obtain public moneys, to borrow the gold necessary to supply the deficiency, and issue gold certificates to the public. The Treasury could thus be used to supply an unexceptionable circulation. These banks have no difficulty in borrowing abroad for other purposes. As security for such loans, they would be able to offer a much wider line of collaterals than the Government bonds, which are required when loans are sought of the Treasury. It does of course seem a little incongruous, that with the vaults of the Treasury overflowing with the needed money, that the banks and business men are obliged to appeal from the natural home market to the money markets of the world. To compare great things with small, they would only be doing what any borrower daily finds it necessary to do. He is obliged to find a lender who will accept his collateral. Congress has made the Treasury the great reservoir into which the money of the country flows, and has provided no efficient way in which this ebb and flow can be guided so as to correspond with the demands for money for the business of the country. But the banks have the money markets of the world open to them. To be specific. If, for instance, twenty or forty millions would supply the demands of the New York money market, what is to prevent borrowing this in Europe, depositing it in the Treasury and taking gold certificates for it? Of course other paper redeemable in gold could be taken when smaller denominations are required. The Treasury expenditures will within a reasonable time let out the money, and when the stress of crop movement subsides, the reserves will again accumulate at the money centres and enable the loans from abroad to be returned. The cost of the transportation of gold back and forth will be cheaper for the banks than the premiums and high rates of interest paid, if they try to obtain bonds to issue circulation or to secure public moneys.

It is remarkable that this plan has not already been attempted. No doubt the diversion of the large amount of gold temporarily required would make it necessary to offer unusual inducements, but after the expedient had once been successfully tried, each succeeding resort to it would be easier. At any rate, if the banks once demonstrated that they could render themselves independent of Treasury operations, it would probably follow that Congress would be willing to alter the laws which now make those operations at times detrimental to the business of the country.

Foreign Anti-Bank Sentiment.—The recent Bankers' Congress at Frankfort-on-the-Main, says the Berlin correspondent of the "London Times," is the outcome of the determination of the bankers to combine in opposition to the Agrarians, Social Democrats and Anti-Semites.

The banking world has been denounced as responsible for all the economic evils suffered by the landed and lower middle classes and the peasant farmers. Even the Government has capitulated to the clamor of unintelligent public opinion, and it is acknowledged that recent legislation affecting bankers has been framed in a fashion hampering business, and seriously interfering with the operations of the whole system of commercial credit.

The correspondent says the opponents of capital in Germany are organized into political parties, and the bankers, hitherto not united, are now determined to combine.

THE AMERICAN BANKERS' ASSOCIATION.

The near approach of the date on which will be held the twenty-eighth annual convention of the American Bankers' Association makes the present time a fitting one for considering in the way of reminiscence the purposes and accomplishments of the organization during the first quarter century of its existence. Has the association fulfilled the hopes and expectations of its founders? Inasmuch as the organization was in a very large degree an experiment, and that those who brought it into existence had very far from clear ideas as to what should be, or could be, accomplished, it may be prefaced generally that the benefits to the banking community which can be ascribed to the work of the American Bankers' Association have been greater than might have been anticipated. These benefits have also been of a wider and different character than those which the founders of the organization had in view, if their views can be rightly gathered from the records now remaining of the first meetings.

The system of independent isolated banks of moderate capital as opposed to branch banking by great corporations encouraged by State or Federal legislation, had grown up under the shadow of the political institutions of the country. It was the survival of the fittest. A great National bank had been tried twice, and in each case had failed to meet popular approval. Special charters, both by the Federal and State Governments, had been tried and found wanting. Banking under general laws, or free banking, prevailed. When Secretary Chase recommended a new National system of banking he copied, under Federal jurisdiction, the free banking already acceptable in the experience of most of the States. This free banking produced the independent isolated banks that conducted the banking business of the country prior to 1875. The free State banks, however, were under the laws of the several States and there was no common tie among them.

The feeling of necessity for some form of mutual support which led to the formation of the American Bankers' Association has been often ascribed to the disastrous panic of 1873. It is probable that this panic only hastened what would have come about in any event. There were two causes at work tending to stronger association among the banks. One was the growth of inter-State commerce, requiring regular correspondence between banks of different localities. Before the development of the West and of railroads and telegraphs this inter-State commerce was small, and banking operations were carried on without much regular correspondence between the banks in different localities. The relations of central and outside corresponding banks as we know them to-day were unusual. But with the growth of trade and the movements of crops and merchandise over vast territories, these relations have necessarily grown up. Another cause of the wish to strengthen association was the provision of the National Banking Law requiring the country or outside banks to keep large balances with the banks at the money centres. If there had been no law fostering this practice it might indeed event-

ually have grown up, but the reserve law of the National Currency Act hastened its growth. In 1873, the year of the panic, the banks of the money centres held the balances of their country correspondents. The system was, however, comparatively new ; the business was conducted by correspondence. The bankers knew each other more by letter than they did personally. The panic of 1873 caused the sudden and merciless withdrawal of balances from the centres. The bankers of those centres had it revealed to them that much of this pressure might have been obviated had there been more of the confidence which grows out of personal acquaintance. The immediate idea of the association appears to have originated with Mr. James T. Howenstein, who was at that time Cashier of the Valley National Bank of St. Louis, Mo. Mr. Howenstein was one of the talented young men who were added to the official staff of Hon. Hugh McCulloch when he became the first Comptroller of the Currency. He was instrumental in devising the original forms of reports made by the National banks to the Comptroller of the Currency, and which form the basis of the blanks now used. He was chief of the Division of Reports in the Comptroller's office for some time, and afterwards promoted to the position of examiner. When bank examiner he inaugurated the St. Louis Clearing-House Association. He was subsequently made Receiver of the National Bank of the State of Missouri, the bank which furnished the funds to James B. Eads when engaged in the construction of the jetties at the mouth of the Mississippi River. When the Valley National Bank was organized Mr. Howenstein was offered the position of Cashier. He was struck with the lack of personal acquaintance among bankers who were well acquainted with each other's signatures, and by correspondence secured the call for the first convention at Saratoga in 1875, where the American Bankers' Association came into being. While the bankers wanted to encourage the principle of association in some form, they were apparently worried by the fear that some business affiliation might be the object of the meeting. It must be remembered that in 1875 conventions of members of the same business guild for purposes of mutual acquaintance and for advancing common interests were comparatively new affairs. But among banks clearing-house associations for immediate business benefit were well understood.

The first convention in 1875, like all subsequent conventions, was attended by delegates from a small fraction only of the banks of the country, although the States and Territories were almost all represented. The call was necessarily vague, as to the definite purpose of the convention, and although there was nothing in it to support such a belief, yet then and for years after an impression prevailed that the association was intended for National banks only. When the convention met and had been called to order by a temporary chairman, a committee of nine on the permanent organization of the convention was appointed. This committee selected a president, secretary and treasurer. A number of resolutions were then introduced which related to certain grievances complained of in every convention since—taxation, overspeculation and crises, usury laws, etc. Naturally, something had to be done with these resolutions. Mr. Van Slyke, of Madison, Wis., moved that a committee of nine be appointed to take steps to form a Bankers' National Assotion. This motion was adopted, and this committee formed the executive council. Mr. J. D. Hayes, of Detroit, was the first to style it an executive council and to sketch out its powers as the representative of the association.

It is not intended to follow the history of the organization further than to say that the plans only vaguely sketched at this first gathering will be found to be very perfectly embodied in the constitution of the association. The purpose then of the association was to encourage mutual personal acquaintance among bankers, to organize and have at the head of the association an executive council to which all grievances and questions of interest affecting bankers generally could be referred, so that this council as the head of the banking fraternity could act in mitigation of the grievances and in proper settlement of the questions. The association was no organization for immediate results in the nature of business profits. No man who attended the first convention had any idea that in contributing dues he was making an investment which would pay quarterly dividends. They all appear to have had large views of the great benefits which would be conferred on bankers as a guild by having a tangible head, even if it did cost something.

It is interesting, before entering into a consideration of the specific lines of work undertaken, and whether they have been successfully carried out, to see what has been the general effect of the organization, in its design of encouraging acquaintance among bankers, and in building up a spirit of guild among them. There is no doubt that during the twenty-eight years that have elapsed, including 1875, that the bankers of the country have learned more of each other personally through the conventions of the association than they would otherwise have done. The association has done this not altogether through its own organization, but through the encouragement the success of its conventions has imparted to the formation of State bankers' associations. The enjoyable sociable character of the conventions of the larger association has led bankers to form similar organizations of a more local character—State associations and bankers' clubs. It is of course impossible to measure the effect which personal acquaintance has on actual business, but it is fair to surmise that the knowledge of each other's personal characteristics will do something toward removing the distrust which often brings about banking crises, and which is often founded on a pernicious sort of gossip which isolation encourages among bankers.

The other specific aims of the association, during the period of its existence, have been the reduction of taxation, the maintenance of sound money, the repeal of adverse legislation, the protection of its members against criminals, the education of the popular mind as to the true function of banks, and thus to remove prejudices which have tended to bring about unjust laws regarding banking, and the education of those who find employment in the banking business. In all these lines the association has made the effects of its labors apparent. In some of these lines the effects are so plain that they are apparent to everyone. The manifest improvement of public opinion in its attitude toward banks can in very large measure be ascribed to the efforts of the association. Success has also attended its efforts in suppressing and deterring the bank forger and burglar. The direct educational schemes of the association, which are a late development, have also achieved a fair measure of success, and doubtless will accomplish even greater results in the future.

The attitude of the association in regard to taxation and the money question has contributed and will contribute to their eventual and satisfactory solution. It must be remembered, however, that the questions dealt with

are large and far-reaching, and that their settlement is not the work of any one business guild, so that many of the efforts of the association have been in alliance with those of other interests and it is of course impossible to decide just what share of the result is due to each of the interests involved. Another thing to be considered is that the association, although perhaps including among its members the banks of the country having the greatest capital and the most influence, does not include all the banks by any means. It is a fact to be regretted that valuable as the services of the association are recognized to be, and much as they have ameliorated conditions under which all banking is carried on, and alert as the association is to prevent and cure all situations adverse to the banking interests, there are a large number of banks and bankers in the country—not those of greatest capital or influence, but numerous—who are willing to partake of the benefits which have to be gradually obtained for the banking business, without contributing one cent to the resources and expenses of the association. Bankers are not usually willing to lie under obligations; as a class they expect to get something for their services but generally refuse to accept services without paying for them. It seems probable that the ten thousand or more institutions doing a banking business cannot have reflected on the advantage to the guild of banking, in keeping up and making more and more strong an organization which protects and advances those general interests which cannot be attended to by single institutions. It is a part of the business of the American Bankers' Association to attend to matters that, although of great importance, would without the association be nobody's business.

The work of the association is on large lines and may not at once appeal to those whose only idea of profit is in immediate monthly or quarterly payments; but even the most narrow money-maker should be able to understand that fine weather is a valuable asset, and that it is in the maintenance of good weather for banking the association is exercising such powers and resources as it possesses.

It may be said that the past work of the American Bankers' Association is a credit to those who conceived the organization and to their successors. Its future success depends on its maintaining the same lines and ideals but with efforts toward increasing its resources and revenues by calling a larger number of bankers to its support. The support it has received shows that the strong and influential bankers know the value of the organization and will not let it lapse. The criticisms of the association which are the oftenest heard relate more to matters of detail than to those of the general management and policy.

The conventions held annually are the conspicuous public functions of the organization. They amount to a reporting of the work done, and an appeal to the constituency as to the plans marked out for the future. The day or two occupied in convention bears but a very small proportion to the rest of the year when the executive council and the officers are directing the routine work. Yet while the general work is seldom or never made the subject of criticism, the convention often comes in for criticisms, which even if they were all just can only refer to temporary management, easily changed. As the association grows larger the honor of being selected to direct the work is commensurately important. In conclusion it must be evident to any one who takes the trouble to inspect the printed proceedings of the conventions,

that if the association had done nothing more than encourage the literary features of its work, in this alone it has merited the cost of maintenance. On all banking and financial questions which have arisen during the last quarter of a century there will be found a valuable record, and thorough elucidation of most of the financial subjects uppermost in the public mind. The discussion of the silver question alone as it was continued from convention to convention shows that almost every phase of this question was debated. That although the majority were generally strong supporters of the views which finally prevailed, yet these views were tested by very ingenious and able opponents. The enlightenment which has prevailed on monetary questions is no doubt very largely due to the calm and searching discussion carried on in the conventions of the American Bankers' Association. A quarter of a century is not a long life for such an organization. It is yet in its infancy, and its growth thus far indicates what may be expected in the future.

RELIEF FOR THE MONEY MARKET.—On September 29 call money in New York went up to thirty-five per cent., and in view of the very large demand for money the Secretary of the Treasury announced that he would no longer require the National banks to hold a reserve against United States deposits, thus releasing about $30,000,000 for loaning purposes. The Secretary also indicated his willingness to accept the substitution of other securities in place of United States bonds held to secure public deposits, provided the banks desired to use the bonds as the basis for increased circulation. It has been estimated that this would render possible the issue of about $25,000,000 additional National bank notes.

Both these actions can be regarded only as a very liberal interpretation of the law, to say the least, but no doubt justifiable as being in the public interest. The law requires that the deposits of public moneys in National banks shall be secured "by the deposit of United States bonds *and* otherwise," not *or* otherwise; and the requirement as to reserve states specifically "twenty-five per cent. [or fifteen, as the case may be] of the aggregate amount of its deposits."

No doubt the spirit of the law merely requires that the Government be satisfactorily secured, and no one can doubt that all public deposits will be absolutely safe with this modification of the absurdly stringent regulations prescribed by the letter of the statute.

Secretary Shaw has found it necessary to apply common-sense principles to the administration of his department, just as was done in 1893 when many of the State banks issued notes without being subjected to the ten per cent. penalty.

It has always been apparent that so long as the Treasury is practically the only source of relief in times of money stringency, the Secretary should be clothed with larger discretionary powers than he now possesses. But the difficulties met with in the past few weeks further emphasize the wisdom of cutting the Treasury and the money market loose from one another as soon as possible.

Our banking system has outgrown the conditions under which it was born, and this fact must be faced sooner or later.

FACILITATING THE INTERNATIONAL TRANSFER OF GOLD.

Gold as a product and commodity comes to market and is sold like anything else. Being used chiefly for monetary purposes, it is not to the jewelers and artistic workers of the metal that the producers offer their supplies, but to the bankers. London as the great money market of the world fixes the price, because by law the Bank of England is obliged to take all standard gold offered at 77s. 9d. per standard ounce, and it is by the ounce that it is sold and not by the denominations in coins of any nation. But the demand for gold and the supply influence the price, and frequently private dealers offer more than the Bank of England price.

The intimacy of international commerce is increasing, and the transfers of gold from one country to another to strengthen the reserves of banks and banking systems are made at considerable expense. This expense is the profit of those who make the transfers.

The British Mint coins gold for private parties at a slightly better figure than is paid by the Bank of England, but the party depositing the gold has to wait until the coin is ready, so that most owners of bullion prefer to deal with the Bank from which the proceeds, either in coin or credit, or in the Bank's notes, can be obtained as soon as the value of the bullion has been ascertained by assay.

Under the coinage laws of the United States the Mint pays, immediately after the assay, the full amount in coin to the depositor of gold bullion from the accumulated coin kept on hand.

The growth of international commerce and the gradual welding together of nations by quick ocean transportation and telegraphic communication seem to indicate that the time is approaching when all the differences in the treatment of gold bullion designed to be used as money should be done away with, and a common understanding reached by which the gold reserve of the world, now hoarded by the various State banks and public treasuries, may be freely drawn from points having a surplus to those requiring to strengthen their reserves.

At present the financial powers of the world are divided on national lines and seem in their dealings with each other to be more or less influenced by national prejudices and ancient antipathies. The financiers and economists of each nation have not yet got over the view that trade between nations is a modified war, in which the prosperity of one may be enhanced by the monetary humiliation of other nations. In these financial contests much capital and energy are wasted.

It is no doubt premature to expect that the time will soon arrive when international balances of trade may be economically settled through an international clearing-house, but it is nevertheless true that these transfers of gold from one nation to another back and forth across the ocean are as wasteful as was formerly the settlement of balances in domestic trade by the transfer of cash from one bank to another.

The United States, with the crude monetary system now sanctioned, is not in condition to take the lead in bringing about a better and cheaper system, although the wealth and credit of the country might otherwise entitle her to do so. It may be doubted whether governmental action will be able to bring about the result indicated. An international clearing-house probably will be realized only when the great banks and financial institutions of the world perceive that they can increase the profit and convenience of their business by doing just what local banks have already done.

There are many difficulties in the way, apart from national feeling, arising from the great differences in the monetary systems and financial customs of the greater commercial nations. But notwithstanding all these obstacles, the time will probably arrive when there will be a common place of deposit of gold bullion, on which certificates having full credit among all banks will be issued and used for the settlement of balances between nations, whether these balances are the result of actual trade or of mere temporary loans from one money market to another. It would facilitate this consummation were all gold coinages of the same fineness. The standard gold purchased by the Bank of England at £3, 17s. 9d. per ounce is eleven-twelfths fine, and the gold sovereign is also eleven-twelfths fine. American gold coin is only nine-tenths fine. The ounce of standard British gold will coin into £3, 17s. 10½d. The Bank of England makes a profit of 1½d. on every ounce of gold it buys. This is supposed to more than cover the cost of assaying and of interest while the Bank waits for the Mint to transform the bullion into coin. An ounce of American standard gold bullion will coin into a fraction more than $18.60. The ounce of British standard gold is equal to $18.94. The British ounce of standard gold contains eight grains more of pure metal than the standard gold ounce of the United States. When American coin is sent abroad it is of course accepted for the pure gold it contains. If the Bank has plenty of sovereigns on hand, it sometimes keeps the American coin intact, awaiting a time when gold shipments are called for by the United States; otherwise the coin is treated as bullion under the standard, is melted, purified, realloyed and made into sovereigns. The same thing takes place when sovereigns are sent to this country, only the gold being purer, when recoined the process is easier, because it is a more simple matter to add alloy than to remove it. Similar processes of recoinage when foreign gold coin is received go on at the mints of every commercial nation.

The international movement of gold would be much simplified if all nations had one standard of gold coin of uniform fineness and weight. Thus the sovereign is very nearly equal to the American five-dollar gold piece, and the French twenty-five franc piece, but they all have some little difference maintained by national pride which makes their absence from the melting-pot very often of short duration. The American spirit in regard to this matter is that there is no objection to the British, the French and the Germans modelling their coins so that in weight and fineness they will conform to the American eagle. This would be a recognition of the superior good sense of the people of the United States, quite complimentary. The trouble is that other nations are as tenacious of their methods as is the United States. So the old wasteful handling of gold continues and probably will continue as long as the spirit of patriotism is made the pretext for such trifling differences. The main argument against change is the dislocation that changes in the standard dollar cause in investments and business, but this would not be so difficult to answer as it may seem at first sight.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Court of last resort will be found in the MAGAZINE's Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

PRESENTATION OF CHECK—TIME WITHIN WHICH THIS MUST BE DONE.

Supreme Court of Michigan, June 24, 1902.

HAGGERTY vs. BALDWIN.

If the person who receives a check, and the bank on which it is drawn, are in the same place, the check, in the absence of special circumstances, must be presented the same day, or at least the day after it is received.

If the person who receives the check, and the bank on which it is drawn, are in different places, the check, in the absence of special circumstances, must be forwarded for presentment on the day after it is received, at the latest, and the agent to whom it is forwarded must present it, in like manner, at the latest on the day after he receives it.

H received through the mail on Friday the check of B drawn on a bank in a neighboring city, and on Saturday deposited it in his bank in such city. Monday morning such bank presented the check at the bank on which it was drawn for payment, which was refused, though the bank was still open and doing business; and that afternoon the bank closed and did not resume business. *Held*, that presentment was made in due time.

This case was tried by a jury. At the conclusion of all the testimony the counsel for defendant requested the judge to direct a verdict for defendant. A like request was made on the part of the plaintiffs. The judge stated he thought a verdict ought to be directed in favor of one party or the other. Counsel then agreed the judge might take the case under advisement, and, after reaching a conclusion, might direct a verdict as if the jury were present. A verdict was directed in favor of plaintiffs.

The defendant then took the case to the supreme court of the State.

MOORE, *J.*: The defendant lives in the city of Detroit. The plaintiffs live and do business in the township of Springwells, two and one-half miles west of the city limits of Detroit, though one of the plaintiffs has a home in the city of Detroit, where he spends part of his time; but he claims a residence and votes in Springwells, and the business of the firm is done in the township of Springwells. The defendant was indebted to the plaintiffs, and on September 5, 1900, he sent them, through the mails, a check on the bank of A. Ives & Son, bankers doing business in the city of Detroit, for $139.25. Mr. Baldwin had done business with this bank for a good many years. He had in the bank September 5, $1,623.85. He deposited $100, and gave checks that day for $913.85, $1,000 and $139.25. The record discloses the plaintiffs received the check during the forenoon of September 7. They were not customers of A. Ives & Son, but did their banking with the Home Savings Bank, whose place of business is in the city of Detroit. The check was deposited with the last-named bank by one of the members of the firm in the forenoon

of September 8, which was Saturday. The banking hours on Saturday are from nine A. M. to 12:30 P. M., and from six P. M. to eight P. M. No collections are made between six P. M. and eight P. M. The clearing-house meets at ten o'clock on Saturday, and checks deposited at ten o'clock or after would wait the meeting of the clearing-house on Monday before being presented. This check did not go through the clearing-house, and at this time the Ives Bank was not a member of the clearing-house. A messenger from the Home Savings Bank took this check, with others, and presented it to the paying teller of the Ives Bank Monday morning at about a quarter past nine o'clock. It was not paid, but was handed back to the messenger with the statement by the Cashier that he would arrange it with the Home Savings Bank. The Ives Bank at this time was open and doing business. The Home Savings Bank again sent the check to the Ives Bank at half-past two o'clock on the same afternoon, when the bank was closed, and never again resumed business. On the following day the Cashier of the Home Savings Bank sent the check to the office of Mr. Baldwin. The messenger informed Mr. Baldwin the check was dishonored, and asked him for another one. Mr. Butler Ives was sworn as a witness for Mr. Baldwin, and testified that between September 5 and the time the failure of the bank Mr. Baldwin saw him and said "that he had drawn a few checks that would overdraw him a little. There was one check, he said, he had sent to Chicago, and it might come in before he could get the money in; and he asked me if we would take care of them, and I told him we would." On cross-examination he testified: "Q. Had you not for some days prior to the 10th refused to pay checks? A. No, sir; not for some days—for a day or two. Q. A day or two before the 10th? A. No, sir; we paid checks on Saturday, and some on Monday. * * * Q. Did you pay all checks on Saturday? A. We paid all the checks except a few clearing-house checks. Q. Well, you did not pay them all on Saturday? A. No, sir; I don't remember the day I had the conversation with Mr. Baldwin with reference to the checks. Court: What was the distinction between clearing-house checks and other checks? A. We call clearing-house checks the checks that come from the bank. * * * Court: What arrangement was made Saturday respecting the checks that came to you through the clearing-house? A. There was not any arrangements made. We were trying to make arrangements by Monday to go through the clearing-house—to have them taken care of; but there was so many came in, we could not do it."

The situation, then, is that plaintiffs received the check through the mails on Friday. The following day they sent it by a member of the firm to their bank, which caused it to be presented early in the first secular day thereafter, when payment was refused, though the bank upon which the check was drawn was still open and doing business.

In Freiberg vs. Cody, 55 Mich. 108, it is said: "In cases where the parties to a check are doing business in the same city where the bank is located, the time within which the holder should present the instrument for payment seems to be very well settled; but in a case like the present the presentation must be made within a reasonable time, taking all the circumstances in consideration, and when no more time is taken than is fairly required in the usual and ordinary course of business, special inconvenience and special circumstances considered, the holder, in case of failure of the bank upon which the check is drawn, before presentation should not be held to suffer the loss. (Insurance Co. vs. Allen, 11 Mich. 501; Nutting vs. Burked, 48 Mich. 241.")

In Holmes vs. Roe, 62 Mich. 199, it is said: "The law is well settled that if the person who receives the check, and the banker on whom it is drawn, are in the same place, the check must, in the absence of special circumstances, be presented the same day, or at least the day after, it is received. (Simpson vs. Insurance Co. 44 Cal. 139; Cawein vs. Browinski, 6 Bush, 457; Schoolfield vs. Moon, 9 Heisk. 171; Alexander vs. Burchfield, 7 Man. & G. [49 E. C. L.] 1061; Boddington vs. Schlencker, 4 Barn. & Adol. 752; Moule vs. Brown, 4 Bing. N. C. 268.)

If, however, the person who receives the check, and the banker on whom it is drawn are in different places, in the absence of special circumstances the check must be forwarded for presentment on the day after it is received, at the latest; and the agent to whom it is forwarded must, in like manner, present it, at the latest, on the day after he receives it. (Hare vs. Henty, 30 Law J. C. P. 302; Prideaux vs. Criddle, L. R. 4 Q. B. 455; Griffin vs. Kemp, 46 Ind. 176; Woodruff vs. Plant, 41 Conn. 344; Burkhalter vs. Bank, 42 N. Y. 538; Bond vs. Warden, 1 Colly. 583; Firth vs. Brooks, 4 Law T. [N. S.] 467.)

Presentment within the time above stated is only necessary to charge the drawer when the banker has become insolvent or failed between the time when the check was received and the time it should have been presented. The rule of diligence does not require the presentment to be made at any particular period within the time limited by the law as a reasonable time. Consequently the payee or holder of the check does not lose his right to recover by the stoppage of the bank within the prescribed period, provided the check is presented, though subsequent to the stoppage, within the period. (Grant, Banks, 57." See also, Hamilton vs. Lumber Co. 95 Mich. 436; Lloyd vs. Osborne, 92 Wis. 93, 5 Am. & Eng. Enc. Law [2d Ed.] pp. 1041, 1042, and notes.)

We think the judge did not err in directing a verdict in favor of the plaintiffs.

BANKER'S LIEN—NOTE NOT MATURED.

Supreme Court of New York, Second Department, June Term, 1902.

JAMES Z. PEARSALL, AS TRUSTEE IN BANKRUPTCY OF WALTER L. JOHNSON vs. NASSAU NATIONAL BANK OF BROOKLYN.

A bank which discounts a note for a depositor has, in the absence of an express agreement to that effect, no authority prior to the maturity of the note to apply the amount of his deposit to the payment of the note.

Consequently where the depositor makes a general assignment for the benefit of creditors prior to the maturity of the note, which assignment is invalidated by an adjudication in bankruptcy made in proceedings instituted against the depositor after the maturity of the note, and a week after the making of the assignment, the trustee in bankruptcy is entitled to recover the deposit from the bank, as there was no time after the maturity of the note when the title to the deposit was in the depositor.

In this case the bank had discounted for Walter L. Johnson two promissory notes made by his wife, to her own order, for his accommodation, and indorsed by both him and her. These notes fell due on May 29 and June 16, 1900, respectively. On May 28, 1900, Mr. Johnson executed a general assignment. His deposit in bank on that day was $680. When the first note fell due, it went to protest; and thereupon the bank charged it against the account of Mr. Johnson, and applied his balance as part payment thereof.

JENKS, *J.*: The bank had no lien upon the deposits of Mr. Johnson for the payment of the note before the maturity thereof, for the reason stated in Jordan vs. National Shoe and Leather Bank (74 N. Y. 467), that such right does not arise from mere possession, but from contract or operation of law, and where there is no contract the law does not imply one until after the note falls due, remains unpaid and no other rights have intervened. Before the note fell due Mr. Johnson had made and delivered the assignment. As Mr. Johnson had the right to draw out his balance at any time before the note fell due, inasmuch as the bank then had no lien upon it, that right passed to the assignee previous to the maturity of the note, so that when the bank attempted to enforce the lien it dealt not with its debt to the depositor, but with his assignee. (See, too, Coffin vs. McLean, 80 N. Y. 560, 563.)

In Beckwith vs. Union Bank of New York (9 N. Y. 211) an insolvent firm with money on deposit in a bank made a general assignment. Thereafter, but before notice of the assignment to the bank, a bill against the firm held by the bank larger than the deposit fell due and was charged up by the bank against the account. The court held that the bank had no lien which would have prevented the assignors from drawing out their deposit before the maturity of the bill, that the right passed to the assignees, and that no notice was necessary to perfect that right except that only in default of notice the bank might have so dealt by its subsequent acts as to have affected his rights. (See, too, Lawrence vs. Congregational Church, 32 App. Div. 489; affd., 164 N. Y. 115.)

In Coates vs. First National Bank of Emporia (91 N. Y. 20, 27) it is said that the only object of notice is to guard the debtor against dealings with the assignor in the belief that he still owned the debt.

PROMISSORY NOTE—REVENUE STAMP—NOTICE OF EQUITIES.

Court of Appeals of Maryland, June 17, 1902.

EBERT, *et al.* vs. GITT.

The mere fact that a note is not stamped as required by U. S. Int. Rev. Act 1898, when delivered to an assignee, the defect being due to the inadvertence of the maker, and not being noticed by the assignee at the time of receiving the note, is insufficient to charge the assignee with notice of equities between the assignor and maker.

This was a suit upon a promissory note. One of the defenses interposed by the maker was that the note had been issued without any consideration, and that as the note had not the requisite amount of revenue stamps attached when negotiated to the transferee, he was charged with notice of this fact.

JONES, *J.* (omitting part of the opinion): The prayer, to the refusal of which exception was taken by the appellant, which presents the only other question in the case, asserts the proposition that, if the other facts therein set out be found by the court as proven, then, as matter of law, the finding of the further fact that the note sued on was not, at the time of its transfer to the appellee (plaintiff below), duly stamped, as required by the act of Congress of June 13, 1898, in not having upon it adhesive stamps denoting the proper amount of tax thereon, as required by said act, is sufficient to charge the appellee "with notice of the equities attaching" to the note in the hands of Alleman, from whom he acquired it, and to disentitle the plaintiff below (appellee here) to recover in this action.

The error of this proposition is manifest. It is argued that the proposition of the prayer is correct, because the plaintiff must have known that the note, by reason of the defect of the stamping, was not admissible in evidence, and that there was no provision of law to cure this defect. Whether the note was admissible in evidence or not is a question of law, and not of fact. If it was not admissible in evidence, the appellee's knowledge on the subject was not at all material. The question of its admissibility, if appropriately presented, would have been determined without reference to the appellee's knowledge in that regard, and without reference to his knowledge of facts which might affect his right of recovery upon the note. The note was in evidence, and this was the fundamental fact upon which the prayer of the appellant, which is being considered, was based.

If, when the note was offered in evidence, the question of its admissibility had then been raised, this question would have been settled, and ought to have been so settled if the question was to be raised at all. This court cannot now, upon this record, treat the question of the admissibility of the note in evidence. Proof of the note established *prima facie* the right of the plaintiff to recover upon it. When the circumstances attending the origin of the note and its transfer to the plaintiff (appellee) were made to appear in evidence, the burden of proof was put upon him to show that he acquired title to the note in the usual course of business, before maturity, for a valuable consideration, and *bona fide*. (Totten vs. Bucy, 57 Md. 452; Williams vs. Huntington, 68 Md. 590; McCosker vs. Banks, 84 Md. 292, 297, and cases there cited.)

Whether the plaintiff in any case gratifies this burden of proof is a deduction from the facts and circumstances in evidence. It is not perceived how it can be predicated of any one circumstance, as matter of law, which the prayer in question does, that it is sufficient to prove notice of infirmity of title by which negotiable paper is held. Especially is it not perceived how the particular fact relied upon in the prayer in question to have such effect could give notice here to the appellee (plaintiff below) of the circumstances attending the origin and the fraud in the transfer of the note here in suit. At best it could only be a circumstance to excite suspicion and lead to inquiry, and could only be allowed such probative force, as reflecting upon the question of notice, as might attach to it in connection with other evidence.

In Totten vs. Bucy, *supra*, it was said: "The transferee of the note was not bound to show that he had acted vigilantly, or even cautiously, in inquiring into the origin and history of the instrument, in order to sustain his position as *bona fide* holder for value. The question is not what are facts the knowledge of which will or will not be sufficient to put the party on inquiry? But the question is whether the party had knowledge of the infirmity of the note at the time of the transfer to him, or, in other words, whether he procured the note in good faith, for valuable consideration."

This statement of the law was cited and reaffirmed in the case of Williams vs. Huntington, *supra*, where it was also said, adopting the language of the United States Supreme Court: "Suspicion of defect of title, or the knowledge of circumstances which would excite suspicion in the mind of a prudent man, or gross negligence on the part of the taker at the time of the transfer, will not defeat his title. That result can be produced only by bad faith on his part." And in the case of Cover vs. Myers, 75 Md. 406, a prayer granted

by the court below was approved by this court, which affirmed that "merely suspicious circumstances sufficient to put a prudent man upon inquiry, or even gross negligence on the part of the plaintiff at the time of the purchase and delivery of said note, are not sufficient of themselves to prevent a recovery by the plaintiff, unless the jury find from the evidence that in taking said note the plaintiff acted in bad faith."

Now, in this case the proof, in the facts admitted, shows that the appellee acquired title to the note in suit in the usual course of business, before maturity, for a valuable consideration, and without any actual notice of any infirmity in the title of Alleman, the payee, who transferred it to him. It also appears from the proof that the omission of the proper amount of stamps from the note was not due to any attempted fraud upon the revenue act of the United State Government. In the bill filed by the appellant in the equity case, which has been referred to, there appears the express averment that, "through mistake or inadvertence, and without any intent to defraud the Government of the United States, an insufficient amount of stamps were put on said note."

It is further admitted as a fact that at the time of the transfer of the note in suit to him the appellee "overlooked the fact that the note was insufficiently stamped."

There was, therefore, proof going to establish every requisite to sustain the title of the appellee to the note in controversy. The prayer under consideration ignored all of this proof, and, in effect, asserted that in spite of it, if the note in suit was insufficiently stamped at the time of its transfer to the appellee, this single circumstance disentitled him to recover, because he was thereby charged "with notice of the equities attaching to the * * * note in the hands of Alleman," the payee. This legal proposition is plainly at variance with the law as we have found it to be.

PROMISSORY NOTE—TRANSFER FOR COLLECTION—RIGHT OF PLEDGEE TO COLLECT.

Supreme Judicial Court of Maine, May 7, 1902.

HUNT vs. BESSEY.

The holder of a valid negotiable promissory note, transferred to him by the payee as collateral security, may transfer it to a third party without consideration, for the purpose of collection.

It is no defense to such an action that the maker has paid the note to the payee while it was still in the hands of the pledgee or his transferee, although he promised to procure its surrender from the holder.

The pledgee of a negotiable promissory note may transfer it to a third person for collection, notwithstanding the provision of the laws of Maine (Rev. St. c. 91, Secs. 57, 58,) requiring pledges to be sold at public auction after notice.

(Official.)

This was an action by the holder of a promissory note against the maker. The note on September 22, 1897, came into the possession of the People's National Bank, of Belfast, Me., as collateral security for a note of $600, given on that day by A. B. Snow to the bank. The $600-note not being paid, this collateral note was transferred by the bank to the plaintiff, without consideration, for the purpose of collection by suit.

The defendant claimed in defense :

That he paid the note to the payee, A. B. Snow, taking his receipt for the same.

Snow at the time informed him that the note was in the bank at Belfast, and promised to give it to him, but failed to do so, and subsequently absconded.

PEABODY, *J.*: In connection with the alleged payment the defendant claims that it is available as a defense because the note was not legally transferred to the bank, it being held simply in pledge, and consequently it remained the property of the pledgor. In support of this contention his counsel cites Rev. Sts. c. 91, Secs. 57, 58.

But it was a negotiable note, and was transferred by delivery. The bank was the legal holder, and its rights could not be affected by the payment to Snow, who neither claimed to act for the bank, nor to have possession or any title to the note; and, so far as the rights of the defendant are concerned, it matters not whether the bank held the note as absolute owner or as pledgee.

When the alleged payment was made, the defendant was informed that the note was in the bank, and there was no pretense that it could be obtained without payment to the holder. The defendant saw fit to trust the payee to obtain and surrender it. This ground of defense is untenable.

He claims that the plaintiff has no right of action, as she is not the owner of the note, but as it was delivered to the plaintiff to sue for the benefit of the real owner, she may do this in her own name. (Baker vs. Stinchfield, 57 Me. 363; Bank vs. Bagley, 68 Me. 249.)

Judgment for plaintiff.

FALSE ENTRIES IN BOOKS OF NATIONAL BANK—PROOF AS TO INTENT.

District Court of the United States, Western District of Kentucky, April 12, 1902.

UNITED STATES vs. GERMAN.

In a prosecution of an officer or clerk of a National bank for making false entries in the books of the bank, if the acts charged are proved, the intent must be inferred therefrom, and while such inference or presumption is not conclusive, it throws the burden of proof upon the defendant.

This was a motion for a new trial. The defendant, a clerk in the Third National Bank of Louisville, Ky., was indicted, under Sec. 5209 of the Revised Statutes, for knowingly making many false entries on the books of that bank, with intent thereby to injure and defraud it. He was convicted, and his counsel moved for a new trial.

EVANS, *District Judge* (omitting part of the opinion): Another ground upon which the motion for a new trial is urged is that the court erred in charging the jury upon the subject of the proof of the intent mentioned in that section. After pointing out to the jury that the accused was presumed to be innocent until his guilt was established by the evidence to the exclusion of a reasonable doubt, the Court, among many other things, charged the jury that that principle and presumption should be applied separately to each of the thirteen counts in the indictment, and said:

"There are six elements necessary to make up each one of the offenses charged, and you should believe that each one of those elements has been established by the evidence to the exclusion of a reasonable doubt before you would be authorized to convict upon any particular count. I also charge you

to consider each count, and the evidence applicable thereto, separately from the others."

The jury were told that these elements were:

"First, that the accused at the time of doing the alleged acts was a clerk in the Third National Bank; second, that while acting as such he made on a certain book of the bank the entry described in the count which you may be considering; third, that such entry meant a certain thing alleged in the count as explanatory thereof; fourth, that, when he made it, it was false; fifth, that the accused well knew it to be false when he made it; and, sixth, that, knowing it to be false, he made the entry with the intent to which I have referred. I repeat, that you must believe, before you can convict upon any one of the counts, that each one of these elements necessary to constitute the offense charged in the count has been established by the evidence applicable to that count to the exclusion of a reasonable doubt. If you do not so believe, you should acquit the defendant as to each count as to which you entertain such reasonable doubt."

The Court then observed that:

"At this point I may say to you that the burden of proof, speaking generally, is upon the United States; but if you shall believe from the evidence that the accused was a clerk in the said Third National Bank, that he made the entries described in the respective counts of the indictments upon the books of the bank, and that he then knew them to be false, then the burden is upon him to show the absence of an intent thereby to defraud or deceive or injure, to which I have referred."

This outline of one feature of the charge has been given in order to an intelligent presentation of the principal objection to the charge, and which seems to arise upon the use by the court of the following language:

"The Court further charges you that the rule of law in regard to intent in this case is this: The intent to defraud or deceive is to be inferred from willfully and knowingly doing that which is wrongful or illegal, and which, in its necessary consequences and results, must injure or deceive another. The intent may be presumed from the doing of the wrongful or fraudulent or illegal act. But this inference or presumption is not necessarily conclusive. There may be other evidence which may satisfy the jury that there was no such intent, but such inference or presumption throws the burden of proof upon the defendant, and the evidence upon him in rebuttal to do away with that presumption of guilty intent must be sufficiently strong to satisfy you beyond a reasonable doubt that there was no such guilty intent in such transaction. The presumption is that a person intends the natural and probable consequences of acts intentionally done, and that an unlawful act implies an unlawful intent. The law presumes that every man intends the legitimate consequences of his own acts. Wrongful acts knowingly or intentionally committed can neither be justified nor excused on the ground of innocent intent. The intent to injure or defraud is presumed when the unlawful act which results in loss or injury is proved to have been knowingly committed. It is a well-settled rule, which the law applies in both criminal and civil cases, that the intent is presumed and inferred from the result of the action."

This language was read by the court from the opinion of the Supreme Court of the United States in the case of Agnew vs. U. S. 165 U. S. at page 53. It had been used by the trial judge in charging the jury in that case, and

was criticised as unsound by counsel in arguing the writ of error before the supreme court; but that court thought it was correct, and so held, in plain and explicit language, and affirmed the judgment of conviction. That was a case also arising under Sec. 5209 of the Revised Statutes, against a National bank officer, and is exactly in point. No case, therefore, could more perfectly be an authority for another than that is for this. In seeking for light as to the law of this case, and as to the proper construction to be put upon Sec. 5209, I naturally looked for decisions by the supreme court upon the section referred to. I had done this, also, in the somewhat earlier case of U. S. vs. McKnight (D. C.) 112 Fed. 982, now under submission in the circuit court of appeals on a writ of error, and where I had also charged the jury in the same way, and where I, of course, laid down the same rule upon the sole, but overwhelming, reason that the highest judicial tribunal in the land had approved its correctness. The court upon that question was therefore upon safe and reliable ground, if any can be found in the trial of criminal cases. Besides, the rule thus established is manifestly sound law, and based upon sound logic. No credible witness can ever positively and affirmatively testify to the exact intent—the mental purpose—of another, and hence there must always be an inference from acts; and the jury were told that, if the evidence was clear as to acts, they should draw the fair inferences, unless there was evidence to rebut those inferences. The Court, in the language used, told the jury that if the evidence showed, to the exclusion of a reasonable doubt, that the accused, while a clerk of the bank, had willfully and knowingly made an intentional false entry on the books of the bank intrusted to him for accurate keeping, then, if there was an innocent reason actuating him in knowingly and intentionally doing such an unlawful act, it was for him to show it, as, in the absence of such showing, or at least of some explanation by him, the jury should draw the logical conclusion that there was an intent to injure or defraud the bank. An entry of that sort was otherwise unimaginable. This rule is founded on manifest common sense—an element which should not be banished from judicial proceedings. The natural presumption would be that such unlawful acts, if willfully and knowingly done, could not have an innocent intent, but still the accused should have a chance; and in this case he had the liberty, if so choosing, to prove that his case afforded an exception to the general rule. Indeed, when we read the clear, satisfactory and authoritative reasoning upon which the supreme court based its approval of the charge of the trial court in the Agnew case, no room is left for doubt as to the principle that court meant to establish for the guidance of lower courts, and therefore none as to the accuracy of what was charged in this case, when the charge given is viewed as a whole, and not in detached sentences. The language referred to is found on pages 49, 50, 165 U. S. pages 240, 241, 17 Sup. Ct. and page 624:

"Undoubtedly, in criminal cases, the burden of establishing guilt rests on the prosecution from the beginning to the end of the trial. But when a *prima facie* case has been made out, as conviction follows unless it be rebutted, the necessity of adducing evidence then devolves on the accused. The circuit court, in this part of the charge, was dealing with the intent to injure and defraud the bank, and rightly instructed the jury that, if they found certain facts, such intent was necessarily to be inferred therefrom. This was in application of the presumption that a person intends the natural and proba-

ble consequences of acts intentionally done, and that an unlawful act implies an unlawful intent. (1 Greenl. Ev. Sec. 18; 3 Greenl. Ev. Sec. 13, 14; Jones, Ev. Sec. 23; Bish. Cr. Proc. Sec. 1100, 1101, and cased cited.)

The circuit court, however, told the jury that the presumption of the intent to injure and defraud, if the facts were found as stated, was not conclusive, but, in substance, that its strength was such that it could only be overcome by evidence that created a reasonable doubt of its correctness; in other words, that, as the presumption put the intent beyond reasonable doubt, it must prevail, unless evidence of at least equivalent weight were adduced to the contrary. The question of the particular intent was not treated as a question of law, but as a question to be submitted to the jury; and, conceding that the statement of the court that the evidence to overcome the presumption must be sufficiently strong to satisfy the jury 'beyond a reasonable doubt' was open to objection for want of accuracy, we are unable to perceive that this could have tended to prejudice the defendant, when the charge is considered as a whole."

This last remark of the supreme court would appear to fit this case perfectly. The testimony against German was clear, positive, and, in this connection, entirely uncontradicted; and it would seem to be impossible for him to have been prejudiced by the charge, taken as a whole, unless we are to assume that every utterance of the trial court is prejudicial to an accused person which leaves the jury a chance to convict him of a public offense, even when the proof is obvious. At all events, the great tribunal which passed its judgment upon the Agnew case has held that such a charge to the jury was not prejudicial; and this court, even if by any possibility it would doubt the accuracy of that judgment, has neither the power nor the disposition to overrule it. The United States was entitled to have this court follow the rule established by the supreme court, and it was accordingly done.

Without going into more detail, it seems to the court that the motion for a new trial should be overruled, and it is so ordered, and the sentence of the court will now be pronounced upon the accused.

DELIVERY OF CHECK TO WRONG PERSON—LIABILITY OF TELEGRAPH COMPANY TO BONA FIDE PURCHASER.

Supreme Court of Minnesota, June 20, 1902.

BURROWS vs. WESTERN UNION TELEGRAPH COMPANY.

A telegraph company, which, upon an order by telegraph, issues and delivers its check by mistake to the wrong person is liable in the amount thereof to an innocent purchaser for value who takes the same upon his indorsement.

Prima facie such indorser is the payee intended, and a purchaser who takes the check from him in good faith, believing him to be the payee, is not called upon to inquire any further than may be necessary to establish the identity of the indorser and the party to whom the check was delivered as payee.

The firm of Scheffer & Rossum, of St. Paul, had in their employ a traveling agent by the name of Joseph E. Jerome, who resided and made his headquarters at Crookston, Minn. On October 8, 1900, a telegram was received by the firm as follows: "Duluth, Minn., Oct. 8, 1900. Receiver's No., 12G. Time filed, 11:25 A. M. 10 Paid. Rush. To Scheffer & Rossum, St. Paul, Minn.: Telegraph me $50 at once; extra deal. [Signed] J. E. Jerome. Will call."

In response to this message the firm paid $50 to the respondent company at St. Paul, and the agent of the telegraph company at Duluth was authorized to pay the money to Joseph E. Jerome. Mr. Fletcher, the Duluth manager, made out a check for the amount, and handed it to Mr. Kent, the Cashier. When the instructions were received from St. Paul to pay the money, the supposed Jerome was in the office, and it was known to Kent that he was the party who wired for the money. The impostor then went to get some one to identify him, and soon after six o'clock in the evening he called again in the company of one Belleveau, a resident of Duluth, who identified him as Joseph E. Jerome, whereupon the following check was delivered to him: "No. 706. Western Union Tel. Co., Duluth, Minn., October 8, 1900. American Exchange Bank: Pay to the order of Joseph E. Jerome fifty and no 100 dollars. $50.00. [Signed] G. E. Fletcher, Office Manager."

A receipt was taken, signed by Joseph E. Jerome, the date of which shows that the check was issued at 6:40 P. M. The party who obtained the check, in company with Belleveau, went immediately across the street to the store of appellant, and purchased a hat, offering the check in payment. He indorsed the check, writing the name "Joseph E. Jerome" on the back thereof, received the difference in cash, and departed. The telegraph company having discovered that the party receiving the check was not in fact the Joseph E. Jerome in the employ of Scheffer & Rossum, stopped payment of the check, and the present action was brought by appellant to recover the amount paid thereon.

LEWIS, *J.* This presents a question somewhat difficult of solution. We have found no case in the books presenting exactly the same facts. It is well settled that a bank has no authority to pay out the money of its depositors upon a check where the name of the payee has been forged. It is also the law that where the entire transaction is fictitious, and the payee and check have no existence in fact, at no time does such a check obtain legal status, no matter whether parties deal with it in good faith or not. It has been decided that where a check has been issued, payable to a certain party as payee, and another party of the same name comes into possession of it either by mistake or fraud, and forges the signature of the real party, this does not give the check any legal status, so as to protect a bank against which it was drawn. (Mead vs. Young, 4 Term R. 28; Graves vs. Bank, 17 N. Y. 205; Clothing Co. vs. Crosswhite, 124 Mo. 34.)

The authorities on this subject are quite thoroughly reviewed in the note to Land Title and Trust Co. vs. Northwestern Nat. Bank (Pa.) 46 Atl. 420, 50 L. R. A. 75, 79 Am. St. Rep. 717, and thus summarized: "Whatever the true theory may be, it is apparent from the foregoing cases that the drawer of a check, draft, or bill of exchange, who delivers it to an impostor, supposing him to be the person whose name he has assumed, must, as against the drawee or a *bona fide* holder, bear the loss, where the impostor obtains payment of or negotiates the same. On the other hand, if the check, draft, or bill is delivered to an impostor who has assumed to be the agent of the person named as payee, the loss will not fall on the drawer, at least if he was free from negligence, and there was a real person bearing that name, whom he intended to designate as payee." But not one of the cases there reviewed presents exactly the same state of facts as are now under consideration.

In order to apply the general legal principles recognized in commercial law

to the facts in this case, we must keep in view the relations of the two parties concerned. Scheffer & Rossum intended that the money should be delivered to their traveling agent, and to no one else, and for that purpose they constituted the respondent company their agent. It must be conceded that under the evidence the party who sent the telegram for the money was known to Belleveau, who identified him as Joseph E. Jerome, and that the fraud practiced was in personating the representative of Scheffer & Rossum. But it would make no difference if the impostor had imposed on Belleveau, the name Jerome being in fact assumed. The check, therefore, had a legal inception, because the telegraph company was authorized to issue it, and the mistake was made in issuing and delivering it to the wrong person. The fraud was possible for the reason that the agents of the telegraph company at Duluth accepted as satisfactory the identification which was offered. Whether the agents in so doing exercised reasonable caution, and such care as would relieve respondent from liability to Scheffer & Rossum, we need not inquire; but the Duluth agents exercised their judgment, issued the check, and placed it in the hands of the impostor, and thereby put it into his power to dispose of it to an innocent purchaser.

Therefore, conceding that, as between itself and Scheffer & Rossum, it did all that could be required, what was appellant required to do, by the general rules of commercial law, when the check was tendered to him in payment of goods? If the check was in fact a nullity, and never had any legal existence, then appellant acquired no title to it, even though he had taken the usual method of identifying the indorser as the party receiving it. If the check had been issued and delivered to the right Jerome, and thereafter the impostor had forged his name and presented it, plaintiff would acquire no title, even though the impostor had been identified as the indorsee, because in that case the check would not have been made negotiable by virtue of the indorsement. The test to be applied is whether, by the usual custom with reference to identification, appellant was negligent in failing to have the party presenting the check identified as the party to whom it was given.

It was said in the case of Estes vs. Shoe Co. 59 Minn. 504, 61 N. W. 674, 50 Am. St. Rep. 424, that a check is within the purview of chapter 73, Sec. 89, Gen. St. 1878, which provides that possession of a note or bill is *prima facie* evidence that the same was indorsed by the person by whom it purports to be indorsed, and checks were brought within this provision of the statute for the reason that they are negotiable instruments, much used and growing in use in business transactions, and possessing all of the characteristics of inland bills. If, therefore, a check is indorsed when presented, it is to be received as *prima facie* evidence that it is the indorsement of the payee, because such rule is required by the necessities of business. For like reason, when the person indorsing a check as payee, and presenting it, has been identified as the party who received it from the maker, and whom the maker designated as payee, he is presumed to be the payee, and entitled to receive the proceeds. Appellant was required to do no more in this instance. He was required to determine whether the party presenting the check to him was the persom to whom it had been delivered as the payee by the telegraph company. He could have ascertained that fact by accompanying the indorser across the street to the office of the telegraph company, and asking them if this was the party entitled to the check. Or Belleveau, who was waiting at

the door of the store, might have been called in, and repeated the identification made to the telegraph company. In such case appellant would have been justified in taking the check. Instead of so doing, he took his chances as to his being the same man. He was the same, and hence inquiry was unnecessary. Respondent sent the man out with the check, and with the authority to dispose of it in the usual course of business to any one who in good faith believed him to be the party to whom the check had been delivered as payee; and, as against such innocent purchaser, it is estopped from denying the validity of the instrument which it set afloat in the commercial world. However, it is claimed that appellant was negligent in taking no steps to make inquiry about the personality of the party presenting the check, for the reason that, if he had, he might possibly have discovered that the party was not the real Jerome. We have already answered this objection. It was not the duty of appellant to go beyond the necessities of identification as above outlined, and the mere fact that he might have discovered more than he was required to cannot be charged against him as an act of negligence unless there were facts which should put him upon inquiry. The facts in this case are undisputed. There was nothing to arouse suspicion, and appellant is entitled to the relief sought as a matter of law.

Judgment reversed, with directions to affirm the judgment of the municipal court.

FRAUDULENT ACTS OF BANK OFFICERS—WHEN BANK NOT LIABLE FOR.

Supreme Court of Nebraska, May 21, 1902.

JONES vs. FIRST NATIONAL BANK OF LINCOLN.

As a general rule, acts done by an officer of a bank away from its place of business, and not authorized or ratified, are not binding upon it.

The acts of a bank officer, outside the usual scope of his authority, in a matter to which it is no party, and of which it is not chargeable with notice, do not bind the bank.

A bank is not chargeable with notice of the fraudulent act of its employee outside the scope of his authority, and in furtherance of his own personal designs, solely because he is an employee.

A depositor, who claims that a bank has paid out his money to a person not entitled to receive it, has an election to sue the bank or the person who received the money, but cannot proceed against each, unless in cases of conspiracy or joint wrong.

Prosecution to final judgment of a suit against the person to whom the money was paid is an election to treat the payment by the bank as proper and authorized, and will bar a subsequent suit against the bank for the amount of the deposit.

POUND, *C.:* This cause grows out of the transaction already before the court in Jones vs. Stewart (Neb.) 87. N. W. 12. Plaintiff's case, as stated by his counsel, is that on November 14, 1892, he had some $2,600 on deposit in the defendant bank, which had remained there many years, and of which he was entirely ignorant; that shortly before said date the Assistant Cashier of the bank disclosed the fact to one Stewart, an attorney-at-law, with a view to obtaining possession of the money; that thereupon said Stewart entered into negotiations with plaintiff which resulted in the curious transaction involved in Jones vs. Stewart, whereby Jones, in consideration of $100 in cash and the equity in certain city property, signed a paper, the nature, contents, and effect of which he did not know, but which proved to be a check for the full amount of said deposit. Stewart drew out the money on this check, and gave $650 thereof to his informant.

We think the evidence makes it reasonably certain that Miller, the Assistant Cashier, had left the bank on October 12, 1894, and was not in its employ at the time of the transaction in question. But one witness, a former emloyee of the bank, testified, not very positively, that he was employed until the end of November of that year. Assuming that this would be sufficient to sustain a finding by a jury, we shall proceed upon the theory that Miller was still employed and was Assistant Cashier at the time. Stewart testifies that Miller came to him at his law office, and told him about Jones' deposit, explained how it came there, stated the facts indicating that Jones had no knowledge of it, and inquired how he (Miller) could take advantage of the circumstances to make a profit for himself. Stewart was not the attorney of the bank, and it is very clear that Miller was acting solely on his own behalf, and for his own behalf, and for his own ends. He had either just left the bank, or was about to leave it; and his manifest intent was to take advantage of what he had learned in the bank's employment for his own personal gain, unknown to its officers. When Stewart had obtained Jones' check and had received the money thereon, he paid $650 to Miller, as already stated. The district court, after hearing this evidence, directed a verdict for the bank.

The action of the trial court was entirely justified. It was no part of Miller's employment to give information as to the accounts of depositors for the purpose of defrauding them, and his conversation with Stewart at the latter's office was in no way binding upon or attributable to the corporation. As a general rule, acts done by an officer of the bank away from its place of business, and not authorized or ratified, are not binding upon it. (Bank vs. Rudolf, 5 Neb. 527; Zane, Banks, Sec. 103.) And no matter where done, the acts of such officer outside the usual scope of his authority, in a matter to which the bank is not a party, and of which it is not chargeable with notice, do not bind it. (Zane, Banks Sec. 105; Wheat vs. Bank [Ky.] 5 S. W. 305.) This is especially true when the acts in question are wrongful and fraudulent. (Bank vs. Bevin, 72 Conn. 666; School Dist. vs. De Weese [C. C.] 100 Fed. 705, 709; City Electric St. Ry. Co. vs. First Nat. Bank, 65 Ark. 543.)

In School Dist. vs. De Weese, *supra*, the Court said: "It would be a dangerous and far-reaching doctrine to establish, when the Cashier of a bank, acting in his individual capacity and for his own aggrandizement, receives in trust, as the agent of a third party, property or money, that because he is at the time Cashier and active manager of the bank, and, as a mere matter of bookkeeping, (done, doubtless, to cover up his own fraud), he first enters the proceeds on the books of the bank, to the bank's credit, and immediately passes the same to his own individual account, and forthwith checks the same out to his individual use, the bank should be affected with his guilty knowledge, and made to account for the fruit of his ill-gotten gains, when in point of fact the bank gained nothing in the end by the transaction." In the case at bar the bank had even less apparent connection with the transaction than in that case. All the bank did was to pay the check which Stewart procured from Jones. The act of informing Stewart was Miller's individual act, done for his individual ends. It was not part of Miller's business as Assistant Cashier, it was not done in that capacity, and no benefit or advantage accrued to the bank in any way. Nor is the bank chargeable with notice of, or made a party to, the scheme between Stewart and Miller merely because Miller was Assistant Cashier. A bank is not chargeable with notice of the fraudulent

act of its employee, outside the scope of his authority and in furtherance of his personal designs, for the sole reason that he is an employee. (Innerarity vs. Bank, 139 Mass. 332, 1 N. E. 282; Bank vs. Montgomery, 126 Mich. 327; Louisville Trust Co. vs. Louisville, N. A. & C. R. Co. 22 C. C. A. 378, 75 Fed. 433, 469; Graham vs. Bank, 59 N. J. Law, 225. See Tecumseh Nat. Bank vs. Chamberlain Banking House [Neb.] 88 N. W. 186.)

In Innerarity vs. Bank, *supra*, it is said: "While the knowledge of an agent is ordinarily to be imputed to the principal, it would appear now to be well established that there is an exception to the construction or imputation of notice from the agent to the principal in the case of such conduct by the agent as raises a clear presumption that he would not communicate the fact in controversy, as where the communication of such a fact would necessarily prevent the consummation of a fraudulent scheme which the agent was engaged in perpetrating." It must be manifest that, if Miller had informed the officers of the bank of what he was doing, the whole scheme would have been frustrated.

We perceive no way in which the bank could be held in this case, other than ratification or estoppel by reason of receiving and retaining some benefit or advantage growing out of Miller's act. There is no evidence from which ratification or estoppel can be found. On the contrary, it clearly appears that the whole benefit inured to Stewart and Miller individually. Counsel contends that an answer of Miller in his deposition to the effect that he did not know whether the bank got any of the money or not justifies the inference that it did, and requires submission of the case to a jury. But the inferences which may be drawn from the testimony in determining the propriety of a direction to find a verdict for one of the parties must have some reasonable foundation in the facts shown. Mere guesswork and conjecture will not be indulged in. In the face of the clear and positive evidence as to what became of the money, a finding of a jury based on no more solid foundation than the inference drawn by counsel from Miller's evasive answer could not stand for a moment.

Plaintiff's case, as made by his pleadings and proof, plainly proceeded upon the proposition that the bank was liable for the wrongful and fraudulent acts of Miller, its Assistant Cashier. But there are allegations in the petition and there is evidence which might be availed of to charge the bank on a different theory. It seems that the deposit was in the name of "John T. Jones, City Treas.," and that Stewart, after obtaining a check signed "John T. Jones," added the word "Treas.," without authority, in order to obtain the money. The plaintiff alleged in his petition that the bank paid out the money upon a false and counterfeit check, which was altered, false, and forged upon its face, and offered to prove that a paying teller, in the proper exercise of his duty, would have seen the alteration. But we need not consider the effect of these allegations, nor the admissibility of the evidence offered, for the reason that plaintiff had clearly cut himself off from any such cause of action before this suit was tried.

In Jones vs. Stewart, already referred to, he had sued Stewart, alleging that the latter received the money on that very check, and that he had thereby lost his deposit. He prosecuted that cause to final judgment. Having elected to treat the check as valid, and the payment to Stewart as authorized thereby, he cannot afterwards assert the contrary position. Either Stewart had his

money, or the bank had it. Both could not have it. If the bank had the money, Stewart had the bank's money, and he was not liable to Jones, but to the bank. If Stewart had Jones' money, it was because the bank had paid it out on Jones' check, and the bank was no longer holden for the deposit. (Fowler vs. Bank, 113 N. Y. 450.)

Looking at this suit as one based upon payment of the altered check, the two are entirely inconsistent.

We recommend that the judgment be affirmed.

LIEN UPON NATIONAL BANK STOCK—RIGHTS OF HOLDER TO SELL STOCK THOUGH INDEBTED TO BANK—RIGHTS OF SURETY.

Supreme Court of Georgia, June 6, 1902.

SMITH vs. FIRST NATIONAL BANK OF MARIETTA.

1. Where, in a suit by a National bank upon a promissory note against the maker and indorser, the latter pleaded that the bank had allowed the maker to sell and transfer certain stock in the bank, upon which the bank had a lien, "under the laws governing National banks," without first requiring the payment of the note, and that the consequent increase in the risk of the surety had operated to release him, it was not error to strike such plea for the reason that the bank, organized under the National Bank Act, had and could have no such lien upon the stock of its shareholder. (Bank vs. Lanier, 11 Wall. 369; Bullard vs. Bank, 18 Wall. 589.)

(Syllabus by the Court.)

This was an action upon a promissory note. For the reasons stated in the official syllabus given above, the defense of the indorser was held insufficient.

DEPOSITS MADE BY TRUSTEES—NATURE OF—LIABILITY OF BANK.

Supreme Court of Iowa, June 2, 1902.

OFFICER vs. OFFICER, *et al.* (STEWART INTERVENOR).

A trustee who has deposited funds to a trust account in a responsible bank will not be liable for the loss thereof, if in so doing he exercised reasonable care.

Where money is deposited to a trust account, and it is so understood by the bank, it should be treated as a special deposit, and if the bank mingle it with its general funds, it will be liable therefor; and such fund may be followed, and a trust impressed thereon, if it can be identified, or if it has swelled the funds of the bank.*

The appellant as executor deposited the sum of $2,139.98 in the bank of Officer & Pusey which afterwards became insolvent, and he asked to have his claim decreed a preferred claim, and ordered paid in full. His application was refused by the court below and he appealed.

SHERWIN, *J.:* The money was deposited by the appellant in his name as executor, and the bank knew that it was a trust fund. There is no question but what the deposit was made by the appellant in good faith for the purpose of safely keeping the fund, and that at the time the bank was reputed solvent. It is conceded that an executor is the trustee of funds reaching his hands, and that the general rules governing the preservation of trust property apply to him. The appellees contend that this was a general deposit, lawfully made by the executor for the preservation of the fund, and because thereof he became a general creditor of the bank, and hence entitled to no

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* This decision seems to be at variance with the elementary rules which govern the relations between banks and their depositors, and we doubt if it would be followed by other courts.

preference. We are cited to many cases which hold that a trustee who deals with trust property honestly, and with ordinary care and prudence, discharges the full measure of his responsibility, and is not liable for losses which then occur. This seems to be an elementary rule which has long been recognized by text writers, as deducible from the authorities. And we believe the general rule is that a trustee who has deposited funds to a trust account in a responsible bank or banking house, if in so doing he exercised ordinary care, will not be liable for its loss. (Perry, Trusts [4th Ed.] Sec. 443; 2 Story, Eq. Jur. [13th Ed.] Sec. 1269; *In re* Law's Estate [Pa.] 22 Atl. 831, 14 L. R. A. 103; People vs. Faulkner [N. Y.] 14 N. E. 415; *In re* Kohler's Estate [Wash.] 47 Pac. 30, 55 Am. St. Rep. 904.) But all of the cases which we have examined, as well as the text-books, lay down the rule that this exemption from liability only obtains when the money has been deposited as a trust fund.

Judge Story says: "In all cases, however, in which a trustee places money in the hands of a banker, he should take care to keep it separate, and not mix it with his own in a common account; for if he should so mix it he would be deemed to have treated the whole as his own, and he be held liable to the *cestui que* trust for any loss sustained by the banker's insolvency." (2 Story, Eq. Jur. [13th Ed.] Sec. 1270.)

In re Law's Estate, *supra*, it is said: "If the subject of the trust be money, it may be deposited for temporary purposes in some responsible banking house, but in such manner that the *cestui que* trust may follow the fund into the hands of the bankers. * * * If the trustee put the money to his own credit, and not to the separate account of the trust estate, * * * the trustee will be personally liable for the consequences." In none of the cases to which we are cited is a question raised or discussed as to the nature of the deposit—whether special or general; but, from the fact that it is the universal holding that the deposit must be to the trust account, it seems to logically follow that it must be in the nature of a special deposit, which may be reached by the *cestui que* trust. What reason is there for the rule that the money must be deposited to the trust account, if when it is so deposited the title passes from the trustee, and it becomes mingled with the general funds of the bank? None at all, in our opinion; for, if such were the result, the trustee would then simply be mingling the trust money with that of others, instead of with his own, but with the same result—that it could not be followed in the hands of the banker by the *cestui que* trust. To secure protection against loss, the trustee must at all times treat the money in his hands as trust money. When he deposits it in his own name or mingles it with his own funds, he is no longer protected, because he has done an unlawful act; and it must follow that, when he makes such a deposit as will pass the title from him and into the hands of the banker, he has also done an unlawful act, and, if the banker has knowledge of it, he is in no better situation than the trustee. It cannot be said that the transaction amounted to a loan; and, treated as a general deposit, the rule undoubtedly is that it would create the relation of debtor and creditor, for the money would be under the exclusive control of the banker, and would in fact be his money. (*In re* Hunt [Mass.] 6 N. E. 554.)

It is clear, then, that the trustee cannot lawfully make a general deposit of trust money, and, such being the case, it is conceded that the judgment below is wrong. That a special deposit may be lawfully made by a trustee, we do not doubt; and where money is deposited to a trust account, and it is

so understood by the banker, it should be treated by him as a special deposit, and if he mingles it with his general funds he is liable therefor, and it may be followed, and a trust impressed thereon, if it can be identified, or if it has swelled the funds of the bank. (Independent Dist. of Boyer vs. King, 80 Iowa, 498, 45 N. W. 908; Houghton vs. Davenport, 74 Me. 590.)

We do not here determine whether a trustee or other person acting in a fiduciary capacity may recover in a case of this kind, where it is sought purely for his own protection and benefit, for no question of this kind is before us.

The judgment of the district court is reversed.

KNOWLEDGE OF OFFICER—WHEN NOTICE TO BANK.

Supreme Court of Michigan, June 24, 1902.

PEOPLE'S SAVINGS BANK OF WEST BAY CITY vs. FREDERICA HINE.

A bank purchased a note from a corporation, which had received the same without consideration, the discount being made by the Cashier of the bank, who was also the president of the corporation, after consultation with two of the directors of the bank: *Held*, that the knowledge of the Cashier was not to be imputed to the bank.

This was an action upon a promissory note, in the sum of $200, made by the defendant in the name of Hine & Co., payable to the order of the Valley Coal Company, indorsed on the back, "Valley Coal Company, I. J. Hiller, secretary." The plaintiff recovered judgment by direction of the court, and defendant brought error.

MONTGOMERY, *J.* (omitting part of the opinion): The only other question presented is whether this defendant is in position to assert, as against the bank, equities existing between herself and the Valley Coal Company. The facts are that at the time of the execution of the original note, of which this is in part a renewal, the Valley Coal Company undertook to sell and deliver to defendant 1,333⅓ tons of coal, and two notes were given in payment for the same, and the coal was the only consideration for the paper; and it was expressly agreed that, if the coal company failed to deliver the amount of coal contracted, the defendant should be liable on the paper only for the coal delivered. The company failed to deliver any considerable portion of the coal, so that, as between the defendant and the Valley Coal Company, the equities are with the defendant, and a complete defense exists. The testimony is undisputed, however, that the plaintiff bank discounted the original paper immediately upon its execution, and without notice of any defect in the same, except as hereinafter stated, and that the present paper was given in renewal of such first note.

The defendant sought to show notice to the bank by showing the fact that the Cashier of the bank, Mr. Shaver, was also President of the Valley Coal Company, and that he knew of the contract above referred to, and that, as he discounted the paper, the bank was chargeable with knowledge of the infirmities of the paper. The record shows without dispute that, when the note was offered for discount by the secretary of the coal company, Mr. Shaver consulted two of the directors, and after consulting them took the paper, and discounted it in the regular course of the banking business.

The question whether, under these circumstances, the bank was chargeable with the knowledge of the Cashier, who was acting in a dual capacity, has been recently considered by this court in the case of Bank vs. Montgomery,

126 Mich. 327. The reasoning in that case decides the present. (See, also, Innerarity vs. Bank, 139 Mass. 332, 1 N. E. 282, 52 Am. Rep. 710, and the cases cited in Bank vs. Montgomery, *supra.*)

Judgment affirmed.

CONDENSED LEGAL DECISIONS.

ESCROW—WHAT CONSTITUTES—WITHDRAWAL OF DEED—DELIVERY—CONDITIONS—WAIVER.

Where a deed is deposited with a person other than the grantee upon an agreement to deliver it upon the performance of certain conditions it is an escrow, and it is not necessary that the terms authorizing its delivery be expressed in writing, but may be declared orally at the time of the deposit.

When a deed is deposited in escrow to be delivered upon the happening of a certain event or the performance of a specified condition, the depositor is not at liberty to withdraw the deed or forbid its delivery without the consent of the other party.

When there is a deposit of a deed to be delivered upon certain conditions, the escrow is not defeated by the death of the grantor, but delivery may be enforced thereafter. Conditions in the deposit of a deed in escrow for the sole benefit of one of the parties thereto may be waived by him, and a delivery enforced, notwithstanding such conditions.

Thoraldsen vs. Hatch, *et al.* 91 N. W. Rep. (Minn.) 467.

ESTOPPEL—BANK DRAFT—ACCEPTANCE.

A bank which induces another bank to honor the draft of a third person so that he may pay a debt due his creditor, cannot be heard to say that the maker of the draft did not owe his creditor the amount of the draft, even though the authority to honor the draft was limited to the amount due from the maker of the draft to his creditor, when the only persons from whom the paying bank could ascertain the amount due were the maker of the draft and his creditor, and they each represented that the amount of the draft was the amount of the debt.

Guthrie Nat. Bank vs. Dosbaugh, *et al.* 69 Pac. Rep. (Okl.) 797.

INSOLVENT BANK—CLAIMS AGAINST STOCKHOLDERS—COMPROMISE BY RECEIVER—VALIDITY.

The power conferred on the Receiver of an insolvent bank by Sec. 35, c. 8, Comp. St., to "compound all bad or doubtful debts when approved by the court or judge," includes the right to compromise doubtful claims against stockholders of such bank for the double liability imposed upon them by the constitution of this State, in Sec. 7, Art. 11*b*, "Miscellaneous Corporations."

State vs. German Sav. Bank of Omaha, *et al.* 91 N. W. Rep. (Neb.) 414.

INSOLVENCY—LIABILITY OF STOCKHOLDERS—DEMAND ON BANK.

A stockholder of an insolvent State bank is not relieved from his proportionate individual liability, to the extent of the amount of his stock at the par value thereof, to a depositor for interest on unpaid balances from the

time of the closing of the bank down to the time of the payment of the last dividend, because of a payment made to the depositor, by various dividends of the full amount due at the time of its closing, for the deposit and contractual interest thereon.

A creditor of an insolvent bank need not, before suing a stockholder on his statutory liability, demand payment of his claim against the bank.

Park vs. Adams, *et al.* 77 N. Y. Supp. 861.

NATIONAL BANKS—EMBEZZLEMENT BY OFFICER—INSTRUCTIONS—ELEMENTS OF OFFENSE—KNOWLEDGE AND CONSENT OF DIRECTORS.

Under an indictment charging an officer of a National bank with embezzlement of its funds by causing money of the bank to be paid to persons known by him to be insolvent, for the purpose of bribery, and with intent to defraud the bank—such payment being made under the guise of a loan, for which such persons executed their note to the bank—the insolvency of such persons is an important consideration, going to the question of intent; and an instruction which, in effect, tells the jury that the question of their insolvency may be ignored, is misleading.

An averment, in an indictment charging an officer of a National bank with embezzlement by paying out money on a note which he knew to be worthless, with intent to injure and defraud the bank, that the transaction was without the knowledge or consent of the directors or the discount committee, need not be specifically proved, where the transaction which the evidence tends to prove was one to which it cannot be presumed the directors or committee would consent; but in such case, if consent is relied on, it must be proved as matter of defense, and by evidence showing that it was given in good faith and with knowledge of the facts.

McKnight vs. United States, 115 Fed. Rep. (U. S.) 972.

NOTES—INDORSERS—FIXING LIABILITY—COMPLAINT—PLEA—WAIVER—EVIDENCE—PROMISE TO PAY—ADMISSIONS—TRIAL.

Under Code, Sec. 894, providing that a holder of a note is excused from bringing the suit required by Sec. 892 at the next term of court after the maturity of the note against the maker, in order to fix the liability of the indorser, when by any act or promise of the indorser the plaintiff is induced to delay bringing such suit, where delay has been so induced, an action may be maintained against the indorser, without suing the maker, at any time.

Where a complaint alleges that defendants indorsed a note, which is set out in full, and that between its maturity and the next term of court they each requested him not to sue the maker, and promised to pay the debt, and thereby induced him to delay suit, wherefore he now sues to recover of them the amount of the note and the costs of a suit against the maker, with interest, the action is properly against the indorsers as such.

Where the holder of a note was induced to delay suit against the maker by a promise of the indorsers to pay, the fact that the holder afterwards recovered judgment against the maker was not a waiver of such promise.

In an action by the holder of a note against the indorsers, the refusal of the court to strike out allegations of the complaint that plaintiff had recovered against the maker, and that execution thereon had been returned, "No property found," was not reversible error.

Under Code, Sec. 894, providing that the holder of a note is excused from suing the maker in order to fix the liability of an indorser, when by any act or promise of the indorsee the holder is induced to delay such suit, where such delay was induced by an express promise to pay the note, the promise need not have been in writing.

In an action against the indorsers of a note, an allegation in the complaint, as to the indorsement, that on the day of the date of the note "the defendants indorsed a written obligation executed" by the maker "in words and figures following" (setting out the note) is sufficient.

Where the complaint in an action against the indorsers of a note alleges that the holder was induced to delay suing the maker by the express promise of the indorsers to pay the note, a demurrer to a plea denying that there was any consideration for such promise was properly sustained.

Where the complaint in an action against two indorsers of a note alleges that they indorsed it, the presumption is that they indorsed separately, and evidence that either promised to pay the note is good, as against him.

Where the holder of a note was induced to delay suit against the maker by the request of the indorsers, and their promise to pay the note, in a suit against them thereon evidence of the solvency and property of the maker of the note at its maturity is irrelevant.

Where, in an action against the indorsers of a note, they denied having induced the holder to delay suit against the maker, a corporation, by promising to pay the note, it was proper to show on cross-examination of one of the defendants that he and the other defendant owned the majority of the stock of the maker.

Where, in an action against the indorsers of a note, they denied having induced the holder to delay suit against the maker by promising to pay the note, testimony that they said to witness that they told the holder that either of them was worth the debt, and that they had offered to give him a mortgage on the maker's property, and pay $300 per month until the debt was paid, was properly received.

On an issue as to whether defendants had promised to pay a note on which they were indorsers, a letter subsequently written by one of them containing an individual promise to pay, and stating that they wanted the plaintiff to hold the paper, was admissible.

Where a portion of the testimony of a witness was unobjectionable, a motion to strike out his entire testimony should be overruled.

Where the complaint in an action against two indorsers of a note alleges that they each promised to pay the note, the plaintiff may recover on proof of a separate promise by each; a joint promise not being necessary.

Brown, *et al.* vs. Fowler, 32 So. Rep. (Ala.) 584.

NATIONAL BANKS—OFFENSES BY OFFICERS OR AGENTS—PROOF OF INTENT.

In a prosecution, under Rev. St. Sec. 5209, against an officer or clerk of a National bank for embezzlement or the making of false entries, with intent to injure or defraud the bank or to deceive, if the acts charged are proved the intent must be inferred therefrom; and, while such inference or presumption is not conclusive, it throws the burden of proof upon the defendant, and the evidence upon him in rebuttal to do away with that presumption of guilty

intent must be sufficiently strong to satisfy the jury, beyond a reasonable doubt, that there was no such guilty intent in the transaction, though, if the use of the words "beyond a reasonable doubt" was technically erroneous, such use was not prejudicial to the case, when the charge is viewed as a whole and in connection with the uncontradicted evidence of the acts which constituted the *prima facie* case.

United States vs. German, 115 Fed. Rep. (U. S.) 987.

NATIONAL BANKS—VOLUNTARY LIQUIDATION—ENFORCEMENT OF LIABILITY OF STOCKHOLDERS.

Where a National bank goes into voluntary liquidation, the only authorized procedure for the enforcement of the individual liability of its stockholders is that prescribed by Act June 30, 1876 (19 Stat. 63), by a suit in equity in the nature of a creditors' suit brought on behalf of all creditors in a court for the district in which the bank is located, in which the necessity and extent of the ratable enforcement of the stockholders' liability shall be determined. Such suit should be against the bank and all its stockholders, and, in case ancillary proceedings should be necessary for the collection from non-resident stockholders of their ratable proportion of the amount necessary to pay creditors, such suits should be authorized by the court of original jurisdiction, and brought by a Receiver or other person appointed by such court.

Williamson, *et al.* vs. American Bank, *et al.* 115 Fed. Rep. (U. S.) 793.

PROMISSORY NOTE—MARK—SIGNATURE—PETITION—SUFFICIENCY.

A promissory note is an instrument, negotiable in form, whereby the signer promises to pay a specified sum of money. (Sec. 3389, St. Okl. 1893.)

Signature or subscription includes mark, where the person cannot write, his name being written near it, and written by a person who writes his own name as a witness. (Sec. 2690.)

The mark of one who cannot write, under the statutes of this Territory, is not a signature or subscription, unless the person writing his name writes his own name as a witness under it.

Where the petition of the plaintiff declares upon five promissory notes, purporting to be signed by mark, and not attested by a witness, the defendant denies the execution of the notes by answer duly verified, and on the trial the plaintiff testifies that the maker's name was signed to the notes by him at the maker's request, and that no other person was present when the same was signed; *held*, that the petition does not state, nor evidence prove, a cause of action.

Sivils vs. Taylor, 69 Pac. Rep. (Okl.) 867.

RECOVERING PAID NOTE—PAROL EVIDENCE—AMBIGUITY IN NOTE—WITNESS—PARTY IN INTEREST—LEGAL REDUCTION OF TAX—BURDEN OF PROOF—HARMLESS ERROR.

The maker of a note which has been paid may maintain an action to recover its possession.

A note by which a promise is made to pay $240 in case taxes on personal property are not rebated before a certain time, "or such part of the above sum as may not be rebated," is ambiguous, so as to admit of evidence in

explanation that the taxes amounted to $842, and that no part of the note was to be paid if as much as $240 was rebated.

Stockholders in a bank, in no way liable on or on account of a note given by another stockholder to deceased on the sale to him by the bank of personal property, payable if taxes on the property be not rebated, are not, in an action to recover the note of the executor, parties in interest, within 2 Ballinger's Ann. Codes and St. Sec. 5991, precluding a party in interest from testifying to a transaction by him with, or statement to him by, deceased, as against his representative.

Plaintiff in an action to recover a note payable if certain taxes be not rebated, having shown that the treasurer had accepted from defendant a reduced sum for the taxes, and receipted in full therefor, which settlement was accepted and acted on by defendant, the latter has the burden of showing that the treasurer was not legally authorized to accept the reduced sum in cancellation of the whole tax.

Carr vs. Jones, 69 Pac. Rep. (Wash.) 646.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B. A., LL. B.; Barrister, Toronto.]

MORTGAGE TO SECURE OVERDRAWN ACCOUNT—INTEREST CLAUSE—CONSTRUCTION.

BANK OF MONTREAL vs. DUNLOP (New Brunswick Es. R. Vol. 2 p. 388).

STATEMENT OF FACTS: The defendant, Ellen Dunlop, was liable to the plaintiffs in respect of bills and notes signed by her and on an overdrawn account. On December 7, 1897, she gave a mortgage to the bank to secure this overdue indebtedness, reciting her liability of $26,080 to the bank and its nature, including a sum of $5,705 overdrawn account and $30.75 interest thereon. The proviso for payment was as follows: "Provided always, that if the said Ellen Dunlop, her heirs, executors, administrators and assigns shall well and truly pay or cause to be paid to the Bank of Montreal, their successors or assigns, the full amount of the said overdrawn account and all promissory notes or bills of exchange now held by the said Bank of Montreal on which the said Ellen Dunlop is maker, drawer or endorser or in respect to which she is liable to the said Bank of Montreal (and interest upon the same) then due and payable, then these presents and every matter and thing herein contained shall be void." The mortgage also contained a power of sale on default of payment.

JUDGMENT: It was contended that the proviso drawn as above did not entitle the plaintiffs to interest on the overdraft, but that the words in parenthesis must be confined to the words immediately preceding them, and that to entitle the plaintiffs to interest on the agreement must so provide expressly or by implication. The rule as to interest is confirmed by the House of Lords in London, etc., Ry. Co. vs. South Eastern Ry. (1893, A. C.). It is: "Interest is not due on money secured by a written instrument unless it appears on the face of the instrument that interest was intended to be paid, or unless it be implied from the usage of trade, as in the case of mercantile instruments." There can be no doubt as to the intention of both parties that interest was to be charged on the overdrawn account. That course of dealings was recog-

nized by the interest charges on the account itself and admitted to be the true amount of the indebtedness for which the security was given. Apart from this there is on the face of the mortgage itself sufficient to indicate that both parties intended that interest should be charged on the overdraft. Grammatically the words in parenthesis, "and interest on the same," apply to the overdrawn account, bills of exchange and promissory notes, all three. There is no reason for saying they intend to pay interest on one species of indebtedness and not on the others, but there is reason for applying them especially to the overdrawn account, for by law it would not carry interest, whereas bills and notes would.

COMPANY—WINDING UP—DEBENTURES—HOLDERS' SUIT—RECEIVER—LIQUIDATOR—DISPLACING RECEIVER BY LIQUIDATOR.

BANK OF MONTREAL vs. MARITIME SULPHITE FIBRE COMPANY, LIMITED (New Brunswick Es. R. Vol. 2 p. 328)

STATEMENT OF FACTS: This suit was brought by the Bank of Montreal on behalf of itself and other bondholders of the defendant company to enforce a mortgage given by the company to the Royal Trust Company and one Hugh Robertson to secure the payment of these bonds. The Receiver was appointed before the winding-up order was made, but after an application had been made for that purpose. The motion under consideration was made by the liquidators appointed on the winding up to discharge the order appointing a Receiver and for the administration of the assets by them, the liquidators.

JUDGMENT (Barker, *J.*): This present motion is based solely on the assumption that as a matter of law the Receiver for the debenture holders should be discharged upon the appointment of the liquidators under the winding-up proceedings. The liquidators do not ask to be themselves appointed Receivers, neither have they brought forward any one fact which, in view of the convenient or economical administration of the company's affairs, might influence this court in the exercise of any discretion it may have in the selection of a Receiver. I think all the authorities agree in holding that the debenture holders are entitled to have a Receiver appointed. As the liquidators on behalf of the general creditor dispute the validity of the debenture mortgage, and the extent of property covered by it, I do not deem it advisable that the same Receiver should represent both parties. I therefore dismiss this branch of the motion.

BILLET EN BREVET—COMMERCIAL DEBT—PROSCRIPTION—ARTICLE 2260 CIVIL CODE.

GUIMOND vs. BLANCHARD (Quebec Reports, S. C. Vol. 21, p. 106).

STATEMENT OF FACTS: The plaintiff was a banker in the city of Montreal at the time this action was instituted. He had previously been a broker, and while such had advanced moneys to the defendant to aid him in his business, which was represented to be that of a plumber and iron founder, though the plaintiff claimed he was only a working plumber. The course of business was that the defendant endorsed to the plaintiff his customer's papers and received advances thereon.

After five years had elapsed from the cessation of this course of business, the defendant gave to the plaintiff a billet en brevet executed before a notary, dated November 17, 1893, payable on demand with interest at eight per cent.

and interest on accumulated interest after maturity at the same rate. On this billet the plaintiff sued to recover $2,185, the defence being that the claim was proscribed by Article 2260 Civil Code.

JUDGMENT: Article 2260 provides: "The following actions are proscribed in five years on inland and foreign bills of exchange and promissory notes and notes for the delivery of grain or other things whether negotiable or not or upon any claim of a commercial nature reckoning from maturity; this proscription, however, does not apply to bank notes." Article 2265 provides that any action not delared to be pre-empted is proscribed in thirty years. The defence claims to come under article 2260 and that this action is proscribed, while the plaintiff alleges that the defendant was only a working plumber to whom he lent money from his own personal savings as a personal obligation, and that the transaction not being of a commercial nature, is not proscribed until after thirty years. Considering that the plaintiff was a broker when the transaction took place, and describes himself in this action as a banker, and that the course of business was the ordinary one of a banker discounting a customer's trade paper, this view cannot be acceded to.

The bill cannot be considered as interrupting the running of the time for proscription of the original debt, because it itself is proscribed under Article 2260 more than two and a half years before the institution of this action.

The plaintiff has not proved the allegations or his claim, which might make it other than a commercial transaction; and the whole course of proceedings being that of banker and customer, the claim must be held to be proscribed, and the action dismissed with costs.

PROMISSORY NOTE—INSOLVENCY—NOTES GIVEN BY INSOLVENT TO CREDITOR AND INSPECTOR OF HIS ESTATE TO OBTAIN CREDITOR'S SIGNATURE TO DEED OF COMPOSITION.

CARTIER vs. GEUSER (Quebec Reports, S. C. Vol. 21, p. 139. Court of Review).

STATEMENT OF FACTS: This was an action brought on certain promissory notes given by the defendant to one Tranchemontague under the following circumstances. Geuser some years ago made an abandonment of his property as an insolvent. Tranchemontague was a large creditor and was appointed an inspector of the insolvent estate. The debtor proposed to pay twenty-five cents on the dollar and get a composition deed signed by all creditors. Tranchemontague refused to sign this deed until he received fifty cents on the dollar in cash and these notes sued upon for the balance of his claim. These facts were set up as a defence to this action and the trial judge dismissed the action and this judgment was upheld in the superior court. On appeal to the court of review Sir Melville Tait, Acting Chief Justice, gave judgment.

JUDGMENT: The plaintiff urges three grounds why the judgment should be reversed: that the consideration for the notes was a legal one, because the deed had been signed when the notes were given, and that there was no bad faith or fraud; second, that there was no fraudulent preference, and that Tranchemontague had not induced any other creditor to sign the composition deed; third, that the defendant cannot invoke his own wrong-doing to make the notes null and void.

In the present case the defendant was, at the time these notes were given, under the operation of the law relating to the abandonment of property.

This law was enacted for the equal distribution of estate of insolvents, due regard being had to the rank and privilege of creditors under the law. Tranchemontague was an ordinary and unsecured creditor entitled to rank equally with those of his class in the proceeds of the insolvent's estate. He was also an inspector and as such had become an officer of the court and an adviser not only of the curator but also of the judge and court. The duties he was called upon to perform were those of a fiduciary character and he was bound to exercise good faith in the performance of them. Instead of doing this he practically acted for himself alone, and by refusing to sign a composition of twenty-five cents on the dollar unless he got these notes, and by promising to help carry through the composition in the event of getting them, he succeeded in getting them from the insolvent.

If such a transaction as this was allowed to take place the object of the law would be absolutely frustrated and honest creditors would be deceived and misled. An insolvent in taking back his estate presumably discharged from a large portion of his liabilities by the payment or promise to pay a certain composition would in fact take it back burdened with debt for additional sums he had promised to pay to the old creditors and he would thus be afforded an opportunity to deceive others as to his real position. When such a transaction is entered into by an inspector of the estate the case is more glaring still; to allow it to go through would be to offer a premium for inspectors whom the court appoints to assist them in winding up an estate honestly, and to aggrandize themselves at the expense of other creditors. I do not find any substantial difference between this case and that of Brigham vs. Banque Jacques Cartier in 30 S. C. R. Vol. 30, p. 429.

The notes must be declared null, and the judgment upheld.

ASSIGNMENT OF POLICY—NOTIFICATION—ARTICLE 1571 CIVIL CODE.

BANK OF TORONTO vs. ST. LAWRENCE FIRE INSURANCE COMPANY. (Quebec Reports 11 King's Bench p. 251).

STATEMENT OF FACTS : This was an appeal from a judgment of the superior court at Montreal dismissing the plaintiff's action. The John Eaton Company, Limited, carried on a large business in Toronto, and for the purpose of its business had obtained large advances from the Bank of Toronto. The company's stock was insured by it in a large number of insurance companies, and it was agreed between the company and the bank by an agreement of June 17, 1896, that in the event of any loss by fire the company would hold the insurance in trust for the bank, and would if the bank required it assign and transfer the insurance to it. This agreement was to apply to any insurances subsequently effected. On April 6 the company insured to the extent of $2,500 in the defendant company, the premium being paid and the policy issued in Montreal. On May 20 in the same year the stock of the company was totally destroyed by fire, and on the same day the defendants were notified of the loss by letter.

On May 22 the company transferred all its assurances to the plaintiff bank. On June 1 the bank's solicitors wrote the defendants advising them of the completion of proofs of loss and that a duplicate was enclosed. The preparation of such proofs of loss and the enclosing of one duplicate in the letter were sworn to by one of the solicitors at the trial, and the other duplicate was

produced as an exhibit. On June 28 the same solicitors advised the defendants by letter of the assignment by the company of all their assurances to the bank. None of these letters were acknowledged by the defendants. On November 6, 1896, the plaintiffs' solicitors sent to the defendants a copy of the assignment made in their office, but not notarially certified, together with a letter again notifying them of the assignment, and telling them that the bearer would deliver to them a copy of the assignment. The defendants now refuse payment on these grounds :

(1) They were incorporated in Quebec to carry on business in Quebec, and that the insurance effected in Ontario was *ultra vires* and did not bind them.

(2) That the company had fraudulently concealed from them the agreement of June 17, 1896, with the bank by which they virtually ceased to be absolute owners of the goods, and that this fact was material to the risk.

(3) That notice of the fire had not been given and sworn proofs of loss had not been delivered.

(4) That the bank had not given them proper notification of the transfer, no copy of the transfer having been sent them as required by Art. 1571 C. C.

"The buyer (of debts and rights of action) has no possession available against third persons until signification of the act of sale has been made and a copy of it delivered to the debtor."

JUDGMENT (Sec. A. Lacoste, C. J., Bosse, Blanchet Hall and Wurtele): The superior court found against the defendant insurance company on the first two grounds, but dismissed the bank's action upon the ground that the sworn proofs of loss did not appear to have been received by the defendants, and that no sufficient notification of the transfer had been given by the bank to them under Art. 1571.

The court was unanimous in holding against the defendants on the first three grounds, but Mr. Justices Wurtele and Hall differ from the majority of the court as to the sufficiency of the notification of transfer.

There can be no doubt of the assignment by the company to the bank, but does this assignment, good between the bank and the assured, make the bank a creditor of the defendants without any notification to them; and if not, is the form of the notification sufficient ?

Article 1571 is conclusive as to the necessity of notification, and we think the notification and copy of the assignment must be formal in character. A copy made by the solicitors for the plaintiffs who are actively prosecuting this claim, and sent with a letter signed by them does not satisfy the requirements of the article. Such is not a "signification," the meaning of which is explained by Art. 1209. "It is sufficient to make a signification *by a notary*, etc." The word "signification" has always implied the intervention of a ministerial official, and though the words of Art. 1209 are not imperative, yet the notification must be a formal act. It is not the duty of the debtor on the receipt of a letter notifying it of the assignment of the debt without more to enquire into the existence and sufficiency of the transfer.

The appeal will be dismissed and the action dismissed with costs.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

A reasonable charge is made for Special Replies asked for by correspondents—to be sent promptly by mail.

ASSIGNMENT WHEN NOT INSOLVENT AS AN ACT OF INSOLVENCY.

Editor Bankers' Magazine: RICHMOND, Va., September 1, 1902.

SIR: A debtor of one of your customers, whose paper we hold as collateral, made an assignment for the benefit of creditors several months ago, upon an inventory. It was claimed that he was not insolvent; nevertheless proceedings in bankruptcy have been instituted. He now claims that he was not insolvent when he gave the assignment and makes this a defense to the bankruptcy proceedings. Will it prevail? J. W. S.

Answer.—No. The assignment was an act of bankruptcy and the mere denial of insolvency by the bankrupt will not prevent the continuance of the proceedings, nor oust the court of jurisdiction. Particularly is this true when the assignment is preferential, as when it only includes a few creditors, as we infer from your letter was your case; this it has been held shows an intent to hinder and delay creditors within the Bankruptcy Act. In fact an assignment by one not really insolvent at the time, if knowingly made, is a fraud on creditors and would, it would seem, warrant a petition in bankruptcy.

RIGHT OF BANK TO DO BUSINESS BEFORE CERTIFICATE FROM THE COMMISSIONER.

Editor Bankers' Magazine: LAWRENCE, Kans., September 2, 1902.

SIR: One of our new banks opened its doors and discounted some notes before receiving the Bank Commissioner's certificate. In the course of business and for value we became possessed of these notes under their indorsement, made before the certificate had been received. Some say that we cannot collect these notes, as we took them from a bank not yet authorized to do business. Is that correct? H. W. G.

Answer.—No, it is not. Notwithstanding the non-completion of the necessary preliminaries to the right to do business, it may yet bind itself in transactions like the one of which you have spoken, and has undoubtedly passed a title to you which will enable you to collect.

POWER OF A NATIONAL BANK TO ACT AS LOAN AGENT.

Editor Bankers' Magazine: LITTLE ROCK, Ark., September 5, 1902.

SIR: A National bank in this State undertook to loan some money here for eastern parties. Loans were negotiated by and money was paid to it, and reloaned. As the result of personal friendship between the bank's officer and an outsider, a loan of the money was made to an insolvent party, who subsequently failed to pay. Can the bank be made liable for this loss by the one for whom the money was loaned on the ground that the bank was negligent in making the loan? DEPOSITOR.

Answer.—No. The National Banking Act does not confer power on National banks to act as loan agents, and as the service is not within the scope of its powers it is not liable.

OBLIGATION OF BANK TO PAY BONUS FOR EXTENSION OF CHARTER.

Editor Banker's Magazine: MEADVILLE, Pa., September 7, 1902.

SIR: Are banks in our State which are incorporated by special act and not under general law, obliged to pay a bonus for the renewal and extension of their charter?

VICE-PRESIDENT.

Answer.—No.

RIGHT TO DEPOSIT MUNICIPAL FUNDS WITH A PRIVATE BANK.

Editor Bankers' Magazine: ROCK ISLAND, Ill., September 8, 1902.

SIR: One of our neighboring villages has been in the habit of depositing its surplus with our bank. This year they have deposited it with one of its citizens who operates a private bank. Is such deposit legal? What can be done about it? CASHIER.

Answer.—There can be no doubt about the impropriety of the deposit which you speak of. Your law requires that municipal funds be deposited with "a regularly organized bank," and your supreme court has held that a private bank is not one that is regularly organized within the meaning of this act. Upon the question as to what you can do about it, we can only say that if the financial officer of the village refuses after proper request by some one interested as a citizen or superior officer, probably mandamus could be brought to compel a redeposit, but we do not think you could compel a deposit in your bank, for any other regularly organized bank would satisfy the law, and the village officers certainly have some discretion as to what regularly organized bank shall hold the funds.

RIGHT OF BANK TO GIVE BOND TO SECURE PRIOR LIEN.

Editor Bankers' Magazine: NEWARK, N. J., September 10, 1902.

SIR: Our bank has a second mortgage on a piece of land upon which a builder claims a lien. We desire to prevent the enforcement of this at this time, but at the same time do not desire to contest the validity of the lien. We propose to give a bond to secure the payment and extend the time for enforcing the lien, but the attorneys for the builder say our bond would be void, and claims we have no power to execute it. How is it? Z. A. C.

Answer.—The bond would be good. A bank has authority to execute a bond for a purpose like the one which you have suggested.

PREFERENCE TO DEPOSITOR FOR WHOM BANK ACTS AS LOAN AGENT ON ITS INSOLVENCY.

Editor Bankers' Magazine: OGDEN, Utah, September 12, 1902.

SIR: Will you please tell me whether, upon the failure of a bank, a customer has any preference over other depositors, under the following circumstances: The Cashier had taken a note from a customer for the unpaid balance of a prior loan. He turned it over to a depositor of the bank by giving him a receipt for collection with the understanding that the loan was made in pursuance of a prior arrangement whereby the depositor's deposit could be loaned for him, if the bank would guaranty the loan and collect it for him, and with the further understanding that the note was to be left at the bank for collection. The depositor was subsequently debited with the amount of the note and as interest was paid, was credited with this. Afterwards the note was paid. DEPOSITOR.

Answer.—The customer is entitled to preference. The transaction was in essence the payment of his deposit and the bank, although the note was taken to it, transferred it to him in law, by delivery, and was in reality his agent or trustee with respect to it, for the giving of the receipt, together with the coincident understanding and the subsequent acts, passed the legal title to the note to the depositor.

LIABILITY AS INDORSER BY ORALLY ASSUMING LIABILITY.

Editor Bankers' Magazine: OTSEGO, N. Y., September 15, 1902.

SIR: A customer of one of our banks here, and a debtor of mine as well as of the bank, failed recently. Afterwards his uncle and his uncle's attorney went to the Cashier of the bank in his office, and told him that he need not worry about the note held by the bank, as it would be paid by the uncle. The Cashier told me this, but I laughed at him and told him he was no better off than I was. What is the law on this? L. H. T.

Answer.—At first blush we were inclined to think that the statement of the uncle was valueless, as we considered it in essence a promise to pay

another's debt, which the statute requires shall be written. We found, however, upon investigation, that your supreme court has decided that the statement is the practical assumption of an indorser's liability, and so we conclude that if the steps ordinarily taken to charge the indorser are taken by your banker friend, the uncle may be held liable.

TRANSFER OF NOTE PAYABLE TO BEARER, BY DELIVERY.

Editor Bankers' Magazine: HELENA, Ark., September 17, 1902.

SIR: Can a bill or note payable to bearer be delivered without being indorsed so that the holder can collect it? F. H. M.

Answer.—Yes. The legal title to a note payable to bearer or to a certain person, or bearer, may be transferred without endorsement.

LIABILITY OF RAILROAD TO BONA FIDE HOLDER OF ITS NOTES.

Editor Bankers' Magazine: MAYSVILLE, Ky., September 18, 1902.

SIR: A railroad company undertook to build a spur road and gave negotiable bonds or notes in payment for right of way. It afterwards turned out that through some defect in proceedings the company had no right to build the road, and it was obliged to take it up. Before this, however, some of these notes had been transferred and the holders are asking for their pay. What are their rights? One of these notes was transferred by the owner merely writing his name across the back. After the trouble began the holder wrote a promise to pay above the endorsement. What is the effect of this? E. B. T.

Answer.—The railroad company is liable. Any one who takes a negotiable corporate obligation, issued by order of the board of directors, signed by the president and secretary, in the name and under the seal of the corporation, and disclosing upon its face no want of authority, has the right to assume its validity if the corporation could by any action of its officers or stockholders, or both, have authorized the execution and issue of the obligation.

As to your second question, the rule is that the holder of a note, indorsed in blank, that is, by merely writing the name of the transferrer across the back, may write above the name any promise which is consistent with the obligation of an indorser, and of course such writing could not affect the obligation of the maker, for it in no way relates to him. It merely affects the indorser.

MAKERS' SIGNATURE ON BACK OF NOTE.

Editor Bankers' Magazine: HUNTSVILLE, Ala., September 19, 1902.

SIR: One of the men of the country here sold some mules and took a note. One of the men that bought the mules signed the note on the face, but the other signed on the back. Must steps be taken to charge him as an indorser? F. S. M.

Answer.—No. It is immaterial where a note is signed whether on the back or on the face so long as the signer's intention is to assume the obligation of maker.

RIGHTS OF INDORSEE OF A NOTE GIVEN FOR LIQUOR.

Editor Bankers' Magazine: PORTLAND, Me., September 22, 1902.

SIR: One of our customers took a note by indorsement without notice or even suspicion that it was given for liquor. Upon presentation of it for payment the maker refused, claiming that it was given for intoxicating liquors and was hence illegal under the statute. Can the holder of the note recover? ENQUIRER.

Answer.—Yes. The Maine statute permitting defense in certain cases, on the ground that the consideration for the debt was intoxicating liquors, does not prevail against the *bona fide* holder of negotiable paper. The statute exempts him.

LIABILITY OF BANK FOR EXPENSE OF SEARCHING FOR PRESIDENT.

Editor Bankers' Magazine: SHREVEPORT, La., September 22, 1902.

SIR: The President of C Bank in this State disappeared. It was known that he was sick, and it was thought he was mentally unbalanced. The bank was anxious to find him and the Cashier engaged a man to search for him, authorizing him to draw on the bank for his expenses. This man started but the bank refused to cash his orders. Is it liable? R. J. S.

Answer.—Yes. Both the bank and the Cashier are liable.

POWER OF CASHIER TO ANSWER FOR THE BANK IN GARNISHMENT WITHOUT PROVING AUTHORITY.

Editor Bankers' Magazine: BIRMINGHAM, Ala., September 23, 1902.

SIR: When a bank is garnished, may the Cashier answer for it without filing an affidavit as to his authority to do so? CASHIER.

Answer.—No. It is doubtful whether under your statute an answer may be made for a corporation without affidavit of the authority of the witness.

INSOLVENT BANK—LIABILITY OF OFFICERS FOR DEPOSITS.

Editor Bankers' Magazine: SEDALIA, Mo., September 23, 1902.

SIR: When is a bank deemed insolvent under our law so that its officers will be personally liable if it receives deposits? Can a bank be considered insolvent if its assets exceed its liabilities although it is temporarily out of funds? H. E. W.

Answer.—A bank is deemed insolvent when it is unable to meet the ordinary demands in the usual and ordinary course of business, and its ability to pay in the future or an excess of assets over liabilities without a present ability to pay debts as they become due in the usual course of business, is not solvency.

DEED NOT AN EQUITABLE MORTGAGE.

Editor Bankers' Magazine: KANSAS CITY, Mo., September 25, 1902.

SIR: In 1884 property was conveyed absolutely for an expressed consideration of $7,600, a fair price, subject to a mortgage for $4,000. This incumbrance the grantee assumed, and a note for $3,600 shortly overdue from the grantor to the grantee was then surrendered. The grantee took immediate possession, expended $3,000 on the property and remained in control until his death in 1891; during that period he neither demanded nor received interest from the grantor. In 1886 he gave the grantor an account of his disbursements and receipts in regard to the property, saying that he held the property in trust for him. Later in the same year he wrote the grantor, "Do you wish to redeem (or purchase) the property? Though the time is out I have no objection to your doing so if you wish now, upon the terms originally agreed upon. Please let me hear from you at once." The grantor did not take advantage of this offer. The original terms are not certainly known, but in 1891, shortly before his death, the grantee said he would be glad if the matter might be fixed up. Will you please tell me whether the transaction is a mortgage or whether it was an absolute conveyance of the property? Can the owner redeem? A. L. B.

Answer.—It is hardly possible to answer your question with any degree of positiveness as to what the court might hold were your case presented. All depends on what the facts show and very much on the terms of that original agreement, of which you speak. The rule is once a mortgage always a mortgage, and if it could be proved with any reasonable degree of certainty that that agreement was merely that the property was to be held as security, the courts would undoubtedly hold that the conveyance was equitably a mortgage. Upon the facts which you have stated, however, disregarding all possible circumstances, we are inclined to believe the transaction an absolute conveyance.

RESOURCES AND PROGRESS OF THE SOUTH.

There is no corresponding region on this habitable globe which has so many advantages as the South, all available by natural or artificial communications, and capable of more economical operation than in any other part of the country.—*Abram S. Hewitt.*

In the basic elements that constitute the wealth of a country, the South is richer than any other part of the United States to-day. This is true for two reasons: first, because of the soil, climate, forests and minerals; and, second, because the development of these great resources was obstructed for almost a quarter of a century by the Civil War.

But there is a "New South" to-day—not new in the sense that the old-time hospitality and high sense of honor have passed away, but a South that has a clearer realization of its resources and how they may be most wisely used to promote the happiness and prosperity of the people. No longer is there a disposition to produce only raw materials to be converted into manufactured products by the capital and skill of other sections and other lands, but manufacturing enterprises are springing up, producing a variety of goods and wares, and showing in a new light the capabilities and energy of the Southern people. Prior to 1880, according to a Census expert, there was hardly a thoroughly equipped modern cotton mill in the South. But in the last decade hundreds of mills have been built, nearly all of them supplied with the best modern equipment. Indeed, it was in the South that a cotton mill was first run wholly by electricity, and the machines operated without shafting or belts.* Great advances have been made in many other lines of manufacturing as well.

That mechanical enterprises are now occupying so large a share of attention does not foreshadow any decline in agriculture; but on the contrary that the products of agriculture will have new and larger markets opened up at better prices. The needs of a more numerous industrial population will increase the demand for farm products for home consumption, and the greater efficiency in utilizing raw materials will enlarge the market for them as well as bring an enhanced price both to the manufacturer and the agriculturist, the miner and the lumberman.

But it is not alone in material things that the South is making remarkable progress. Confronted with difficulties that might have overwhelmed a less resolute people, and the problems made harder by outside misunderstanding, and misrepresentation in some cases as well, the situation was met with a patience and determination that are bearing fruit. It is well within the truth to say that education is nowhere receiving a larger share of public attention than is being bestowed upon this subject throughout the South to-day. Eagerness and earnestness upon the part of educators are supplemented by a diligent search for the means and methods calculated to assure the best results. Technical education is being fostered by States and municipalities, and there are a number of institutions of the highest rank annually giving practical training to a large and increasing body of students. This technical training, added to that which is gained by the thousands of hands employed in the mills, is rapidly supplying an amount of skilled labor that will meet the enlarged demand resulting from the multiplication of manufacturing plants.

* "Commercial and Financial Chronicle."

Twenty Years of Agricultural Progress.

* Exclusive of fisheries, representing an annual value of about $15,000,000, the annual products of industry in the South now approximate $3,000,000,000 in value. Between 1880 and 1900 the value of Southern agricultural, manufactured and mineral products increased from $1,134,586,229 to $2,844,646,440, or 157 per cent , while the population increased from 16,369,960 to 23,548,404, or forty-four per cent. The progress in Southern agriculture is indicated in the following table giving by States the value of farm products at the beginning and at the close of the twenty years:

States.	Farm Values. 1880.	Farm Values. 1900.	Value of Farm Products. 1880.	Value of Farm Products. 1900.
Alabama	$106,531,307	$179,399,882	$56,872,994	$91,387,409
Arkansas	99,359,577	181,416,001	43,796,261	79,649,490
District of Columbia	3,792,501	11,535,376	514,441	870,247
Florida	27,902,481	53,929,064	7,439,392	18,309,104
Georgia	143,158,308	228,374,637	67,028,929	104,304,476
Kentucky	358,703,832	471,045,856	63,850,155	123,266,785
Louisiana	76,770.547	198,536,906	42,883,522	72,667,302
Maryland	187,157,266	204,645,407	28,839,281	43,823,419
Mississippi	122,016,268	204,221,027	63,701,844	102,492,283
North Carolina	164,286,737	233,834,693	51,729,611	89,309,638
South Carolina	84,079,702	153,591,159	41,108,112	68,266,912
Tennessee	259,456,170	341,202,025	62,076,311	106,166,440
Texas	256,084,364	962,476,273	65,204,329	239,823,244
Virginia	247,476,536	323,515,977	45,726,221	86,548,545
West Virginia	153,588,725	203,907,349	19,360,049	44,768,979
Total South	$2,290,364,321	$3,951,631,632	$660,131,452	$1,271,654,273
Total United States	$12,180,501,538	$20,439,900,164	$2,212,540,927	$4,717,069,973

The gain in the productiveness of the South is not due so much to a widening of the area under cultivation as to the better results obtained from the same acreage. This is shown in the case of wheat. While the increase in the area sown in wheat between 1880 and 1900 was only 810,211 acres, or about twelve per cent., the increase in quantity was 42,136,944 bushels, or eighty-two per cent. If only the States producing a surplus were included in this estimate, viz., Tennessee, Kentucky, Virginia, West Virginia, Maryland and Texas, the showing would be even more favorable. According to the census of 1880 these States produced 41,087,952 bushels of wheat, grown on 4,593,782 acres, the yield being 8.9 bushels per acre. For the year 1900 the production of these six States was 76,597,222 bushels, grown on 5,435,102 acres, showing a yield of fourteen bushels per acre—nearly two bushels above the average for the whole country. The increase in acreage in these States in twenty years was eighteen per cent., in the quantity of wheat raised eighty-six per cent., and in the yield per acre fifty-seven per cent. Texas alone, in this period, increased its production of wheat from 2,567,737 bushels to 23,395,913—an increase of over 800 per cent.

Although not primarily a corn country, the production of this cereal in the South rose from 370,862,141 bushels in 1880 to a maximum of nearly 600,000,000 bushels in 1898. The production of hay went up from 1,412,964 tons in 1880 to a maximum of 4,386,669 tons in 1898. The oat crop increased from 40,213,555 bushels in 1880 to 83,998,246 bushels in 1900—a gain of over 100 per cent.

The most important crop in the South is cotton. By the census of 1880 the total production was 5,765,359 bales of 453 pounds each, amounting to 2,607,177,627 pounds, grown on 14,480,019 acres, an average of 180.5 lint per acre. This crop brought to the planters of the South approximately $255,503,597. The crop grown in 1900, and commercially spoken of as the crop of 1901, was 10,383,422 bales, which

* Acknowledgment is made to the "Manufacturers' Record," of Baltimore, for much of the information contained in this article.

put into the farmers' pockets $494,567,549. This was an increase over the crop of 1880 of 4,628,068 bales, but considering the larger size of the bales of 1901 as compared with those of 1880, the increase in the number of pounds shows the percentage of increase in the crop to have been over ninety-nine. Add the value of the seed to the value of the crop of 1901, and it will easily swell the value to $550,000,000. The planters received more by $239,063,952 for the crop of 1901 than for the crop of 1880, though the price in 1880 was greater by at least one cent on the pound. The crop grown in 1898 and marketed in 1899 reached the highest point in production ever attained, being 11,235,383 bales, but it brought to the farmers only $321,877,296, which is less by $172,690,053 than they received for the commercial crop of 1901. The yield of the crop of 1880 was 215 lint pounds per acre, and of the crop of 1898, 225 pounds.

Tobacco growing is also a prominent interest in the South, the production being over seventy per cent. of the entire amount grown in the United States.

The rice crop increased from 110,131,373 pounds in 1880 to 285,750,000 pounds in 1901.

In 1880 the cane sugar grown in the Southern States was reported at 301,284,395 pounds. The crop of 1897–98 reached the maximum of 695,401,280 pounds.

The great extent and variety of fruit growing and truck raising can only be mentioned here; but the soil and climate and comparative proximity to the great markets of the Atlantic coast, the lake region and Europe are especially favorable to the development of production along these lines, and advantage is being rapidly taken of these fortunate conditions.

A recapitulation of the gain made in agricultural and live-stock production in the South since 1880 shows the following notable increase:

Wheat, eighty-two per cent.; corn, twenty-six to sixty per cent.; hay, 164 to 210 per cent.; oats, 108 per cent.; cotton, ninety-nine per cent. in production; tobacco: types grown largely increased and markets much improved; rice, 130 per cent.; cane sugar, sixty-seven to 130 per cent.; truck and fruit farming 1,000 per cent. or more; horses, twenty per cent.; mules, twenty-four per cent.; swine, nine per cent.

Although there are a number of large and important commercial cities in the South, if we exclude St. Louis and Baltimore, neither of which is in the heart of the South, it will be seen that the Southern States do not include any of the country's cities of large population. It is a notable fact, however, that the rural population of the South is increasing much more rapidly than the other sections of the Union. The census of 1900 shows a total gain in the rural population of all the States and Territories from 1890 to 1900 of 4,449,600. Of this total gain, fourteen Southern States, excluding Missouri, furnished 2,640,720, or nearly sixty per cent. of the total increase of the whole country in rural population, while all the remainder of the Union, including the States and Territories of the West, furnished 1,808,880, or about forty per cent. of the whole increase in rural population. This is more remarkable when it is considered that most of this gain is due to the increase in the native population, the foreign immigrants coming into the United States having gone chiefly to the great cities or to the Western States and Territories.

However, the Southern cities and towns are growing also. From 1890 to 1900 the rural population of the South gained sixty-five per cent. and the cities and towns gained thirty five per cent.

Resources of the Forests, Mines, Etc.

The South is rich in timber and with the growing transportation facilities the revenues derived from this source are becoming larger year by year. B. E. Fernow, of the New York College of Forestry, estimates that the South is furnishing nearly one-third of the total lumber product of the country, and probably one-half of the

pine lumber. He estimates that the annual lumber product (lumber, naval stores, ties, wood, etc.) is now valued at over $300,000,000.

The coal product of the Southern States, which amounted to only 6,034,257 tons in 1880, rose to 22,170,124 tons in 1890 and 51,169,417 tons in 1900.

A summary of the mineral products of the South shows that the value of such products rose from $17,807,646 in 1882 to $115,352,763 in 1900.

In the production of petroleum West Virginia occupies a place close to the head in the list of oil-producing States, while the recent discoveries in Texas are adding between four and five million barrels to the annual product. It is estimated that the South produces nearly forty-one per cent. of the country's output of petroleum.

Mention should be made of the phosphate deposits of several of the Southern States which have become prominent factors in adding to the wealth of this section.

The Development of Manufacturing.

It has been shown in the preceding pages how the natural products of the soil have been multiplied in the past ten or twenty years, but the story of the growth in the output of manufactures is even more wonderful. The cotton of the South is no longer all sent in the raw state to Osaka, Lancashire or New England, but an increasingly large part of the product is being converted into cloth by mills located in Southern territory.

With water power, coal, good transportation facilities and labor in plentiful supply, it is not surprising that such remarkable progress has been made. All the elements requisite for successful cotton manufacturing have existed in the South for many years, except perhaps that moneyed capital was not always to be had to the extent needed. But this lack has been supplied by the energy of the Southern people, the increase in the supply of local capital, and by the money attracted for investment on the strength of the profits the industry has yielded.

*The South has exceeded all the early prognostications that were made concerning the position she was to occupy at the end of the ninteenth century as a cotton manufacturing community, not only in her relation to the North, but to the world. The number of cotton spindles in the United States in 1890 was 14,088,103, and in 1900 the number was 19,008,352, showing an increase of 4,920,249 in ten years. About fifty-six per cent. of this increase was in the South and forty-four per cent. in the North, showing that a large portion of the increase was in the latter section. The singular thing about this gain in the North is that over ninety per cent. of it was in Massachusetts alone. About eighty-three per cent. of the Southern gain was in the States of North Carolina, South Carolina and Georgia.

To put it in another form, the South gained, during the 1890–1900 decade, 2,747,839 cotton spindles, of which 2,264,304 were in the above three States, while the North gained 2,172,410, of which 1,960,169 were in Massachusetts alone.

Statistics of Cotton Manufacturing.

	No. of Establishments.			Capital.	
	1880.	*1890.*	*1900.*	*1890.*	*1900.*
New England	439	402	332	$243,158,249	$272,668,914
Middle States	139	239	225	51,676,249	52,078,820
Southern States	161	239	400	53,827,303	124,532,864
Western States	17	25	16	5,364,042	4,562,174
Total	756	905	973	$354,020,843	$460,842,772

*Henry G. Kittredge, in "Gunton's Magazine," August, 1902.

* The preceding table shows the sectional distribution of the cotton manufacturing establishments at the last three census decades, and also the capital invested at the last two census periods.

Thus the capital invested in the New England States increased only from $243,-000,000 to $272,000,000 between 1890 and 1900, but that in the Southern States increased from $52,000,000 to $124,000,000. It is noteworthy that failures of Southern cotton mills have been few, and the profits have been good as a rule. Not only has the extent of the cotton manufacturing industry vastly widened, but there has been a great improvement in the character of the product. At first the output consisted largely of the coarser and cheaper grades of cloth, but the better qualities are now being extensively turned out.

For the year ended August 31 the secretary of the New Orleans Cotton Exchange estimated that the cotton consumed by Southern mills amounted to 1,937,000 bales, or 317,000 bales more than in the preceding year.

But important strides have been made in many other lines. The production of pig iron, which amounted to only 354,733 gross tons in 1880, had increased to 2,604,-671 tons in 1900.* Alabama alone showed a gain in the value of pig iron produced from $1,405,356 in 1880 to $13,465,616 in 1900. An epitome of the manufacturing progress of the South is contained in the following table:

Summary of the Manufactures of the Southern States.

	1900.	1890.	1880.	Increase. 1890 to 1900.	Increase. 1880 to 1890.	Percentage of increase. 1890 to 1900.	Percentage of increase. 1880 to 1890.
No. establishments..	92,522	53,848	43,725	38,674	10,123	71.8	23.2
Capital,.............	$1,111,688,852	$630,143,728	$251,692,038	$481,545,124	$378,451,690	76.4	150.4
Wage-earners, average No............	763,277	509,465	298,321	253,812	211,144	49.8	70.8
Total wages.........	$235,212,339	$169,535,355	$71,992,859	$65,676,984	$97,542,496	38.7	135.5
Miscel'us expenses..	100,066,277	62,292,778	*a*	37,773,499	*a*	60.6	*a*
Cost of materials used...............	810,434,542	475,866,787	280,309,410	334,567,755	195,557,377	70.3	69.8
Value of products...	1,419,001,873	878,257,608	445,572,461	540,744,265	432,685,147	61.6	97.1

a Not reported for 1880.

Growth of Commerce and Transportation Facilities.

Not only has the South made an enviable record in the addition to its volume of products, natural and manufactured, but it is handling a larger proportion of its own products and of those of other parts of the country than ever before. It is shown that from 1880 to 1901 the Southern ports as a whole have increased their exports 95.5 per cent., while the other ports of the country have increased theirs but sixty-five per cent.; but that of the Southern ports, those on the Atlantic coast have increased but 56.8 per cent., while those on the Gulf have increased 142.7 per cent. In 1880 $117,644,620, or 13.8 per cent. of the total exports, sought tidewater at the Gulf ports; in 1901 $285,464,529, or 19.2 per cent. of the total exports, reached tidewater at the Gulf ports. The total exports of the country have increased 74.28 per cent. between 1880 and 1901, while those of the Gulf ports alone have increased 142.7 per cent., or at a rate of increase nearly double that for the country as a whole. Between 1880 and 1900 the railways of the South increased in mileage from 21,612 miles to 52,594, an increase of 143 per cent., while those of the other States and Territories of the Union grew from 71,650 miles to 141,727, an increase of but ninety-eight per cent.†

* "Commercial and Financial Chronicle," August, 1902.

† O. P. Austin, Chief Bureau of Statistics, in "Manufacturers' Record," February, 1902.

This change may be attributed to several causes. In the first place, the grain-producing area has moved further west, nearer the Gulf ports than to the North Atlantic seaboard; the transportation facilities of the South have been improved, and the productive capacities multiplied many fold. In the ten years 1890 to 1900 the net railway earnings of the Southern States have increased from $21,000,000 to $35,000,000.

Banking in the Southern States.

In banking the South compares most favorably with other parts of the Union. In a record of bank failures kept for several years, the States of Mississippi and Delaware make the best showing of any States in the Union. There are several other Southern States whose record is almost equally clear of bank disasters. It would be beside the fact to say that the bankers in the South are either more capable or more honest than the bankers of other States. As a rule the South has in recent years been comparatively free from the excitment and upheavals caused by "booms" and speculations prevailing in some other sections of the country. The progress of the Southern States has been, upon the whole, along conservative lines. There has been a solid basis for every forward step.

The increase made in the capital, individual deposits and total resources of the National banks of the States of Virginia, West Virginia North and South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Arkansas, Kentucky and Tennessee, is shown in the following table:

	1898.	*1902.*
Capital	$63,000,000	$77,698,000
Individual deposits	165,000,000	269,358,000
Total resources	318,000,000	506,017,000

Complete returns from the State banks are not at hand, but statistics from the best sources indicate in a general way the progress made in the States named. From 1880 to 1899 the number of banks in Virginia (not National) increased from seventy-six to eighty-nine; the capital rose from $3,000,000 to $5,840,000, and deposits from $7,750,000 to $24,000,000. In North Carolina the State banks in 1887 reported $691,-000 capital; in 1898, $1,946,000; deposits were $1,424,000 in 1887 and $4,000,000 in 1898. Including deposits of Savings and private banks in the year last named the total was over $6,000,000. In 1899 Georgia reported 188 private and State banks with $16,000,000 capital and $34,000,000 deposits. In Mississippi there was an increase in the number of State banks from nine in 1887 to eighty-three in 1897; capital increased from $759,000 to $3,581,000, and deposits from $1,102,000 to $7,600,-000. Deposits of the Kentucky banks increased from $16,800,000 in 1887 to $25,-000,000 in 1897.

These few figures only illustrate the trend of Southern banking progress. If it were possible to collate information from all the State banks at the present date, it would be seen that the growth of banking in the South is keeping up with the wonderful development in agriculture and manufacturing.

Texas has for some time led in the organization of new National banks, State banks being prohibited by the constitution of Texas. Since the amendment of the National Bank Act on March 14, 1900, there have been organized in Texas 107 National banks, compared with fifty-four in Minnesota—the State having the next highest number. The Southern States report a total of 188 National banks organized since the date above named. This exceeds the combined number organized in the New England States, Eastern States and the Pacific States.

The clearing-house returns, as reported by the "Commercial and Financial Chronicle" show that the clearings of cities classified as Southern for the week ending August 20, 1892, amounted to $46,966,491, and for the week ending August 16, 1902, they were $90,090,002. From 1899 to 1902 the increase was from $59,000,000

to $90,000,000. The increase in clearings in Southern territory from 1901 to 1902 was 14.8 per cent., out of a total gain of 21.9 per cent. for the whole country. Excluding the Middle States, with New York city, the gain in the South was much greater than in any other part of the country.

It is impossible in the limits of this article to present in detail the resources and progress of each of the Southern States. Enough has been shown to justify the strong declaration of Mr. Hewitt with which this review was introduced.

In its capacity for the cheap production of food, fibre, iron, coal, petroleum, lumber, phosphates, potter's clay, tobacco and many other natural products, and in the favorable conditions for manufacturing, the South certainly possesses advantages that are destined to place that part of the country in even a stronger financial and industrial position than it now occupies. What has been done in the past ten or twenty years has been partially indicated; what will be done in the future will far exceed the great achievements of the past. Taking the South as a whole, its resources have not been exploited to the same extent as the possibilities of other parts of the country have been. Land values are actual rather than speculative, while the producing powers of these primal American commonwealths, instead of being fully developed or exhausted, are just beginning to realize their first fruits.

Possessing in its soil, climate and population a generous measure of the elements out of which wealth is created, the South is showing its determination and ability to occupy no secondary place in material prosperity, and to utilize its manifold riches in promoting the comfort and happiness of its own people, and out of its abundance to bestow like blessings upon other lands.

OBJECTIONS TO ASSET CURRENCY.

Editor Bankers' Magazine:

SIR: Your editorial in the August number upon asset and emergency issues of notes is well considered.

Perhaps you can illustrate by referring to the illegal suspensions of payment which have been made by the Bank of England and by the New York Clearing-House in times and under circumstances which caused such suspensions to be approved by the respective governing powers. Therefore it seems as if history has proven that such suspensions must not take place except under similar causes; and conservative bankers do not wish any more rubber put into the circulation to make it elastic.

However, I think you miss one point which is the most important; that is the co-guaranteeing by all the banks of "asset currency" with only the protection of an untried and (probably) an insufficient insurance fund.

As a matter of history the National banks in California were concerned as to this point when the silver dollar threatened to be the "redeemer" of all paper money, for the National Bank Act provides that each bank shall accept the notes of all other banks in payment for all dues whatsoever. If the silver dollar had prevailed then the loans of National banks in California, which are made on notes reading "in gold coin," under the California Specific Contract Law, would still have been paid in National bank notes, because the United States law is superior to the State law.

The situation was bad enough a few years ago when we could "trust in God" for fifty cents on each dollar; but under the proposed bill we must trust in Fowler for ninety-five cents on each dollar.

There is a very sound objection to asset currency among many old-fashioned bankers who have spent their lives in "making both ends meet" with a little interest left over. PACIFIC COAST.

ANALYSIS OF A BANK REPORT.

While it may be true that figures never lie, it is not less true that they often serve to conceal the truth, especially in published reports—bank reports as well as others. In order therefore to read a bank report intelligently it is necessary to interpret the figures properly. But even with the keenest analysis no just estimate of the strength or solvency of a bank or other corporation can be formed from its published reports, unless the reports give sufficient data upon which to base the analysis. For instance, if a bank should include its overdrafts among its loans to its dealers, such a classification might be theoretically correct; but it would be absolutely impossible to form a correct estimate of the strength of the bank until these two classes of assets were separated.

While the form of report required of the National banks of this country demands a separate statement of overdrafts and loans and discounts, the item loans and discounts is itself too indefinite to furnish the data necessary for a proper analysis of the report. In the first place the amount of past-due paper should be stated separately, since such paper (as every banker knows) is not quite so good an asset as unmatured bills. To form a proper estimate of the ability of the bank to withstand a run, it is also essential that the amount of time loans and of demand loans should be stated separately. While time loans and discounts might (for the purposes of analysis) be given in one amount, there are various reasons which make it sometimes desirable to distinguish also between these items in rating the credit of a bank. Renewals might well be taken out of the item loans and discounts and stated separately, since they are a source of danger to a bank and have been the cause of the downfall of many an institution.

Following the order of the items in the form of National bank report required by the Comptroller, the second item, overdrafts, secured and unsecured, if it is of considerable size, should be separated into the two classes indicated.

The items relating to Government bonds go into unnecessary details. If the total amount of bonds only were given, it would require no great skill to subtract the amount of circulation and the amount of Government deposits, and thus arrive at the amount of United States bonds on hand accurately enough for all practical purposes, since the amount of bonds held for circulation and Government deposits seldom exceeds these figures in the liability side to any great extent.

On the other hand, the item stocks, securities, etc., may contain the greatest variety of assets, both in point of value and of realizability. If this item is a large one the careful financier in analyzing the report will naturally wonder what part of it consists of South Sea bubbles, etc. If the stocks. securities, etc., are quoted at the market price at the time of making the report, their value can readily be determined at any subsequent time, provided the names of the securities are known. In order therefore to form a just estimate of the strength of an institution, greater detail is required in this item.

Of the remaining items on the asset side of the National bank report—banking house, cash due from banks and cash on hand—there is only one which is unsatisfactory for purposes of analysis, viz., checks and other cash items. It is usually small in amount; but if large, a shrewd banker would seek to ascertain of what it consisted, and whether the other cash items were actually the equivalent of cash. Irregularities have frequently been concealed by the tellers holding so called cash items in their tills, which were anything but cashable.

The statement of liabilities in the National bank report is complete and satisfactory. The writer knows of but one method in which the figures might be made to hide the facts. Some bankers, in rediscounting their paper, issue their certificates of deposit for the advance, in which case it might be thought proper and a good trick of the trade to report such a loan among the deposits. It will readily be seen that such a procedure vitiates the whole report; the larger the line of rediscounts that such a bank succeeds in getting, the larger will its deposits appear, and the bank will falsely appear to be doing a flourishing business. Rediscounting seems necessary under our present system of isolated banks; but unless such rediscounts are stated in the published reports as such, it is impossible to analyze the reports correctly.

Probably the best way to illustrate the writer's method of analyzing a bank report is to make an analysis of a typical report of a large New York bank. The report selected is as follows:

RESOURCES.

Loans and discounts	$50,288,470.92
Overdrafts, secured and unsecured	585.57
United States bonds to secure circulation	900.000.00
United States bonds to secure United States deposits	22,307,000.00
United States bonds on hand	645,000.00
Premiums on United States bonds	1,326,538.03
Stocks, securities, etc	6,738,813.67
Banking house, furniture and fixtures	200,000.00
Due from National banks (not reserve agents)	3,104,962.91
Due from State banks and bankers	161,094.51
Checks and other cash items	269,037.59
Exchanges for clearing-house	7,259,831.85
Notes of other National banks	15,810.00
Fractional paper currency, nickels and cents	522.24
Lawful money reserve in bank, viz., specie	17,295,711.00
Legal-tender notes	2,535,000.00
United States certificates of deposit for legal tenders	600,000.00
Redemption fund with United States Treasurer, (five per cent. of circulation)	40,500.00
Due from United States Treasurer other than five per cent. redemption fund	80,543.22
Total	$113,769,421.51

LIABILITIES.

Capital stock paid in	$1,000,000.00
Surplus fund	1.000,000.00
Undivided profits, less expenses and taxes paid	3,322,816.41
National bank notes outstanding	804,550.00
Due to other National banks	16,351,819.49
Due to State banks and bankers	7,382,571.96
Dividends unpaid	450.00
Individual deposits subject to check	46,741.211.01
Demand certificates of deposit	12,730.00
Certified checks	3,375.307.80
Cashier's checks outstanding	980,543.10
United States deposits	19,685,421.74
United States bonds	13,112,000.00
Total	$113,769,421.51

The first eight items, aggregating about $82,000,000, constitute the bank's investments. Of this amount about $24,000,000 are in United States bonds, the character and ready salability of which are universally known. In order to analyze satisfactorily the item for loans and discounts—about $50,000,000—the amounts of time and demand loans, and of past-due paper and renewals should be stated separately, since

it makes a vast difference in the strength of a bank in time of panic, whether its funds are at call or tied up in three or four months' paper. Past-due paper and renewals may be practically worthless. The writer has seen a form of report required by a certain large institution of borrowing banks in which loans and discounts are itemized, as they must be for a proper estimate of the condition of a bank. Stocks and securities, $6,000,000, may be a good asset and may not; conservative bankers, as a rule, do not favor tying up too large a part of a bank's resources in such investments. Perhaps, if the average opinion of bankers could be obtained, it would be considered safe for a bank with a large line of deposits, like the one here used as an illustration, to invest as much as its banking capital—capital and surplus—in first-class securities. The amount opposite banking house, furniture and fixtures is a very modest one indeed. Since the National Bank Act discourages investments in real estate, forbidding all except purchases for a banking home, and acquisition by foreclosure in the course of its business, it is scarcely necessary to state that real estate is too slow an asset for a commercial bank, and that therefore the item should be watched with a jealous eye in analyzing bank reports.

The next four items, aggregating somewhat less than $11,000,000, constitute checks, notes, and other forms of credit in process of collection. Generally speaking, this amount should be kept as small as possible; that is, collections should be made as rapidly as possible, primarily of course in order to have the money to loan, and secondarily to avoid all legal complications which might arise from lack of due diligence in presenting documents for payment. The exchanges being made daily cannot be reduced; but, on the other hand, the sum due from banks represents collections not remitted for, and the shrewd banker is always seeking ways and means to reduce this figure; $3,000,000, the figure in the above report, while not excessive, is somewhat larger than might have been expected. Several of the progressive New York banks (with slightly less business, however), succeed in keeping this figure at about $2,000,000.

The remaining figures making up the resources represent actual cash—somewhat over $20,000,000. It is desirable to note the percentage of reserve which a bank is in the habit of carrying against deposits. In the form before us this can be arrived at approximately by deducting exchanges for the clearing-house from the gross deposits, about $94,000,000 (items 5, 6 and 8 to 12 of the liabilities), thus finding the net deposits, such deduction being made because the National bank reports are made at the close of business, when the outgoing exchanges are included in the deposits, while the incoming exchanges (of about the same amount) are not received in New York until the following morning. The percentage of reserve to net deposits in this instance is found to be between twenty-three and twenty-four per cent—approximately the amount legally required.

So much for the resources. The first three items on the liability side constitute the banking capital, that is, the portion of the bank's funds which belongs to the stockholders. For purposes of analysis it is immaterial whether the capital be large and the surplus small, or *vice versa*, unless the surplus should be less than twenty per cent. of the capital, in which case the law requires a certain amount to be added to the surplus out of the net earnings before a dividend can be declared. A bank with small capital and large surplus would seem to be better adapted to meet losses in this country without causing a run, since any impairment of the capital must be made good by assessment on the shareholders, thus naturally bringing the bank's losses into greater prominence.

The ratio which banking capital should bear to deposits cannot well be stated absolutely, as it depends largely upon the nature of the bank's business. A bank doing purely a deposit and discount business does not require so large a capital as one which underwrites stock and bond issues, or finances new corporations. Euro-

pean banks for this reason invariably have larger capitals than our American banks. The capital of the bank in our illustration is perhaps too small for the large amount of business which it transacts.

The item National bank notes outstanding is absolutely secured by the corresponding item in the resources, United States bonds to secure circulation. The question of the profit on circulating notes has been frequently discussed, and I shall therefore assume that the reader is familiar with the various tables which have been compiled on the subject.

The next five items, aggregating about $70,000,000, make up the bank and individual deposits, and adding the United States deposits, certified checks and Cashier's checks outstanding, the total gross deposits are found to be about $94,000,000. It may be remarked that the Government deposits are specially secured by the item United States bonds to secure United States deposits, on the opposite side of the statement. To arrive at the net deposits it is necessary, as explained above, to deduct the exchanges for the clearing-house, thus giving the amount of deposits at the opening instead of at the close of business, when only the outgoing exchanges are included in the report. This peculiarity of New York bank reports is due to the fact that the exchanges at the clearing-house are made at the opening of business. In cities where the exchanges are made at or near the close of banking hours this difference between gross and net deposits in the reports to the Comptroller does not exist, while in a New York bank (as in the illustration, for instance) the difference is large. There was formerly a bank in New York whose gross deposits were about $20,000,000, while its net deposits were only three or four millions, its heavy exchanges being due to numerous accounts of stock brokers, who made deposits and immediately drew checks against them. The size of a bank's exchanges therefore is not a certain indication that it is doing a profitable business. It is merely an indication that the bank has active accounts.

The items certified checks and Cashier's checks outstanding require little analysis, the former being the amount of deposits held to meet checks which have been certified, and the latter the bank's own checks issued in payment of loans made to parties not keeping an account with the bank, or for various other purposes.

The last item in the illustration, United States bonds, represents Government bonds borrowed by the bank in order to deposit in Washington a sufficient amount of bonds to secure United States deposits. It is practically an inflation of the statement and should be deducted from both sides to arrive at the true totals. Of course when a bank has clients from whom it can readily procure Government bonds with which to secure Government deposits, it is a good stroke of business to do so.

Besides the items given in this typical statement of a large New York bank there frequently appears in the statements of country banks, especially in the South and West, the item, rediscounted bills, an item which, as has been explained above, requires careful attention in analyzing the reports.

Country banks invariably have an item among their resources which does not appear on the statements of New York banks. I refer to the amount due from approved reserve agents. The National Bank Act allows country banks to keep three-fifths of their reserve with an approved reserve agent in a reserve city. This amount of course is to be included in the bank's investments, not among items in process of collection. Usually the country banker receives interest on his balance with his reserve agent; but even if he does not it is necessary for him to maintain the balance in order to supply his customers with exchange. In either case it is to be classed as an investment.

In the analysis of a bank report some allowance must naturally be made for purely local conditions. I have attempted merely to outline some of the deductions and estimates which can be made from all National bank reports.

OSCAR NEWFANG.

*THE PRACTICAL WORK OF A BANK.

DISCOUNTS, LOANS AND INVESTMENTS.

II.

The disregard of sound business laws governing the character of investments will have the same effect upon a banking institution as the disregard of sound hygienic laws upon the personal health, namely, the decreased vitality and perhaps death of the patient in each case.

A recent article on the Bank of Amsterdam stated that this bank was started to assist the merchants to obtain coin of legalized standard with which to pay bills of exchange. Naturally enough deposits were soon left with the bank, which, until it was discovered that the funds so accumulated had been loaned where repayment was impossible, were never called for except for ordinary business transactions. Upon discovering the nature of the loans made by the bank, public confidence was so shaken that its affairs were liquidated with immense loss to its creditors. Had the same care been taken in making the investments as in accumulating the deposits, the bank might to-day be prominent in international finance, instead of an object lesson to be conned.

Banking institutions are not founded upon philanthropic motives, but with the idea that they may be profitable to their stockholders, as well as a factor in the upbuilding of the community where they are located. To that end, they are not expected to hoard up without charge all the funds intrusted to them, but do contract to so invest those funds that a reasonable profit may be derived therefrom, and such deposits repaid in the ordinary course of business.

It is inferred that this article is to deal with commercial banking as distinguished from trust companies and Savings banks. What are recognized as legitimate investments for the latter institutions, where solidity is the principal requirement, would not be considered flexible enough for commercial banking.

Under the National Banking Act we have three classes of banks, divided in accordance with their location; as central reserve banks, reserve banks, and other banks not specifically designated, but by implication including all banks outside of the two previous classes. The act also makes the reserve bank a depository for three-fifths of the fifteen per centum cash asset reserve to be maintained by the rural banks, and the central reserve bank a depository for one-half of the twenty-five per centum cash asset reserve maintained by the reserve bank. Under the State banking laws these requirements are not always compulsory, but methods of modern finance have carried into effect practically the same features, although not stipulated by law. Good bankers seldom allow their cash asset reserves to shrink to legal requirements, but with the standard of the National bank reserves before us we will proceed to take up the investment in interest-bearing securities of the remaining funds of the bank, basing our percentage of each class upon an assumption of one hundred per centum of loanable funds, after providing for cash reserves.

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* A series of articles to be published in competition for prizes aggregating $1,050, offered by THE BANKERS' MAGAZINE. Publication of these articles was begun in the July, 1901, number, page 18.

The Various Kinds of Bank Loans.

Commencing with the banks located in and dealing with rural communities, we find that a large proportion of their loans are made to farmers. While the farmer is a substantial citizen, his property consists largely of his farm, agricultural implements and live stock, and unless he is located where diversified farming and dairying are extensively carried on, his year's cash income will be available only when his crop is marketed, and hence a demand for payment of his notes at other seasons of the year will be made without avail.

The country banker should consider the larger part of his farmers' paper as slow assets not available as demand obligations, and invest not to exceed thirty per centum of his loanable funds in that class of security. The National banks are prohibited from loaning on real estate security, but the State banks in many States are not subject to such restriction, and the country banker can frequently place twenty per centum of his funds in a class of securities based upon the best of assets, viz., mortgages on improved tillable land. Experience during recent panics has demonstrated that these mortgages are not subject to the fluctuations of a stock and bond market which may wipe out the entire security, but are such as can always be used as collateral, or sold among investors.

The depositor of a country bank is ordinarily familiar with land values, and he is more amenable to reason during a panic when he learns that his banker has invested in a mortgage on his neighbor's, or perhaps even his own farm.

The merchants of the local business center are perhaps the heaviest and most active depositors. They should be carefully rated, and a line of credit consistent with their financial standing should be extended. This will employ from twenty-five per centum to forty per centum of loanable funds. We will say for the sake of definite figures thirty per centum is so invested, and there remains on hand for investment twenty per centum. If local bonds and school orders are available, ten per centum of the remainder could be well invested, leaving ten per centum for the discount of outside demand or short-time paper, or for deposit on interest at financial centers. The temptation frequently presents itself to invest in commercial paper offered through brokers. The country banker should exercise great care in this regard, as a $5,000 loss on a bank capital of $50,000 would wipe out a year's earnings, and my judgment is that two per centum interest on demand balances is better than four per centum on large loans based on unsecured paper.

A National bank being prohibited from real estate loans would still have twenty per centum of loanable funds unemployed. This might be used indirectly in real estate loans, by having the borrower secure a responsible indorser to his note, and execute the mortgage, which the State bank would take direct, to such indorser as security.

A recent article on banking methods, by a recognized authority, advocated a certain proportion of loans being placed among firms where there was no obligation to renew, and suggested that perhaps it would be well for banks to receive their deposits from one class of customers and make loans entirely to another class, thus being at all times under no obligation to extend a continuous line of credit. The suggestion of always having paper upon which demand may be made with certainty of payment, is worthy of adoption; but here is where the country banker confined to a limited field is at a disadvantage. Perhaps a well-selected line of railroad or municipal bonds may be taken in lieu of that class of paper, and while the interest rate is lower, the banker rests easier by knowing that this class of security is next to a balance at a reserve agent. Should the community be one of some manufacturing importance, a class of very desirable paper is offered, based upon the sale of manufactured products. The tendency of the times, however, is toward consolidation

among industrial establishments, and where formerly the local manufacturer looked to his local banks for accommodations, the consolidated enterprise goes to a reserve center and borrows at lower rates.

To expect to make loans in even a rural community without some losses is hardly possible, but there is the advantage of not losing by any one customer a very large amount. It is very seldom losses are made on loans to men whose reputation is perhaps such that the banker takes extra precaution in dealing with his collaterals. The losses occur where usually least expected, and I know of no theoretical advice which will prevent them, except it be the exercise of vigilance and the best judgment the banker has at his command. Consultation with local directors in every available instance where a doubtful matter is presented and obtaining time in which to consider the loan from every point of view will minimize losses.

One test a bank officer should apply, in passing upon a loan offered, is that of deciding clearly in his own mind, whether the loan is one he would make with his personal funds. If he will honestly apply this test, leaning toward the safety of the bank's funds, he will seldom regret his action.

The statement was recently made that the bank Cashier who could earn $50,000 per annum for his bank and incur $10,000 losses, was a more valuable man than the Cashier who made $30,000 a year without losses. Provided, a doubtful tinge does not color the entire investments of the first bank, the statement appears plausible. Be that as it may, with the best judgment at his command the loaning officer of a progressive institution will make mistakes, but careful training and study along the line of his chosen profession will tend to lessen their number and serious effect.

Directors of both large and small banks should be directors in more than name. The examining committee from among their number should thoroughly investigate the character of the loans and investments made. Where the methods of accounting in the bank are not thoroughly understood, authority should be granted the committee to employ a competent man to act under their direction. This committee should be absolutely fearless in the discharge of its duties, and doubtful paper should be charged off after each report, so that no accumulation of doubtful assets may be relied upon.

The banks located at reserve centers should carry a larger proportion of flexible securities than the rural banks, because in financial flurries the excess balances of their correspondents are reduced very rapidly, and then is when the country banks offer paper for rediscount or demand direct accommodations, both of which the reserve bank must be prepared to meet. In addition to cash assets of not less than thirty per centum, the loanable funds should be invested, one-third in loans to depositors and business firms entitled to a line of credit warranted by their business, balances and responsibilities; one-third in commercial paper of the highest commercial rating carefully selected after investigation through the sources of the bank's credit department; and one-third in bonds and securities of recognized merit commanding a market value upon the leading exchanges of the country.

The same proportion of investments would be advantageous for central reserve banks, except that their officers should appreciate that the demands upon their banks during financial crises will be the more taxing, as they hold a large proportion of the reserves for the entire country. Among the demand paper held by these central reserve banks, a large proportion of which is secured by stocks and bonds, in times of actual panic the consolidated banks must sustain the market and cannot force the liquidation of their securities without suffering severe losses themselves. Hence in some respects these loans bear resemblance to the farmers' notes held by the rural banks. In good times they are the best of interest-bearing paper, and in a real panic demand may be made to no purpose, and the only salvation is to carry the borrower until the necessity for payment has passed and liquidation can be made in the natural course of business.

Banks under both National and State laws may invest in real estate suitably improved for a banking building. Perhaps some investments of this character in property considered to be unavailable as quick assets are justifiable, but my judgment is that a bank can better afford to pay a high rent and have no real estate, than to carry a large proportion of capital in that kind of property, unless a sinking fund is started with which to ultimately wipe the property from the bank books. A wise provision of some of the State banking laws limits an investment in a banking house to twenty-five per centum of the bank's paid-in capital.

The Bank's Credit Department.

No department is more essential to the modern banking institution than the credit department, and upon its executive head depends very largely the character of its investments and upon such investments the profit and loss account of such business and eventually the success or failure of the institution.

In the country bank dealing largely with farmers and local merchants the Cashier or President quite likely carries the credit bureau in his head and by observation and personal acquaintance with the bank's customers, among whom radical changes are more rare than in metropolitan communities, he is generally able to pass with few mistakes upon all paper offered for discount. With the card-index system, however, even in such a country bank the credit department can be made of valuable assistance.

A bank located in a reserve center or among the many smaller cities throughout our land should equip a department and place in charge of the same at commensurate compensation a clerk whose qualifications fit him for such position. He should be a man of keen observation and calm judgment, and if possible one who has experienced the failure of many seemingly sure enterprises, making him the better able to detect flaws in alluring propositions to invest the bank's funds. The young man who profits by the experience of others may exist, but most of us are prone to follow the course of our own choosing regardless of previous experience of others, believing that we are better men than those who have preceded us. Personal loss in doubtful ventures will do more to train the judgment than the sagest advice or any theoretical training. The credit man's position will require painstaking and methodical work in arranging the files for ready reference. He should appreciate the delicate nature of his work and should merit the confidence regarding business affairs reposed in him. Such a man, if he is a keen student of current business affairs and mingles socially among business men, will become indispensable to his department and institution. In the arrangement of files for the use of the credit department, simplicity and practicability should predominate. The main idea of compiling information for ready reference should not be overlooked.

Departments which have come under my observation are equipped with a set of files arranged so that they may be referred to by card index. In envelopes carefully labeled are placed cards upon which is shown the composition of the firm, or officers of the corporation, with individual financial standing of the one, and stockholders of the other, as the case may be. The line of business, branch houses, commercial rating and other essential information should be carefully noted. Statements should be obtained once a year, and more often if possible, and comparison should be made between recent and previous statements, which, if they are honestly compiled, will indicate whether the firm is increasing or decreasing its volume of business, and commercial standing. Information which is of great importance, but often overlooked, is that concerning the character and business qualifications of the executive and active officers of the firm or corporation. We have all seen firms and banks regarded as solid as Gibraltar wind up in failure and disgrace, when their control has passed from the men who built up their standing to others of poor business ability, or when

perhaps the genius which conceived the notable greatness has gone beyond legitimate lines, as witness the failures of Baring Bros., of London, and the Maverick National Bank, of Boston, and National Bank of Illinois, of Chicago, in recent years.

All statements obtained should be verified as far as possible by outside reports. It is human nature for interested parties to place their affairs in the best possible light, and men whose advice is sound and whose discernment is sure, in dealing with credits in which they have no interest, allow their judgment to present their own undertakings in an optimistic light. In this connection the credit man should have the courage of his convictions, and the directors of a bank should allow no personal feelings to prejudice them against the credit man who deals with the statements of the directors themselves with the same calm scrutiny he would apply to an outsider. In too many bank failures of recent years the excessive loans to officers and directors were the immediate cause, and it would seem an analyzed statement made by a fearless credit man to the officers would do much to retard the making of such loans. For the reasons above mentioned it would seem to me that the credit man should receive his appointment from and be amenable only to the board of directors.

In making up his files for reference, I believe his first duty should be to compile information concerning the employees of the bank, their general character, antecedents and other pertinent information. The standing of a bank is frequently judged by the conduct of its employees and to the end of advancing that standing in the community the efforts of the department should be directed. The next duty should be to gain complete reports as to depositors. It is frequently more easy to obtain these at the time the account is opened than later on. Among non-borrowing depositors this may seem superfluous, but at some time knowledge concerning the business standing of such depositors may be very valuable.

Among active borrowing accounts and firms and corporations whose commercial paper is purchased from brokers, care should be taken to keep the files up to date, noting carefully the changes of management. There are many artificial bodies doing business to-day, and their success or failure depends upon the sagacity and foresight of the men directing their affairs. Too much stress cannot be placed upon the individual element in rating the credit of corporations.

The laws of different States concerning stockholders' liability to creditors varies, and in that respect the credit man should inform himself, noting also all information he can obtain about the commercial standing of the stockholders. In those financial centers where stocks and bonds are a basis of advancing credit, careful watching of the market is a daily task. While the market rate may reflect the demand for the securities, it should not be considered by any means an absolute criterion of their intrinsic value. Labor and research will be well repaid in investigating their basis of value.

The old saying, "Straws show which way the wind blows," will aptly apply to the relationship existing between the credit department and the borrower of credit; hence the credit man should not neglect the opportunity to watch carefully for straws. In dealing with active borrowing accounts care should be taken to file all information concerning the average balance carried, and the line and class of discounts already held, with collaterals pledged therefor. Among metropolitan banks changes will doubtless be of daily and sometimes hourly occurrence; hence the department must be in constant touch with the active operations of the bank and may gain very valuable hints as to how the business men conduct their general banking business.

In dealing with estates, corporations and other artificial bodies, the authority granted by such bodies to their respective officials must be carefully scanned by the bank's attorney and certified copies of appointment, with resolutions attached as to scope of their authority to act, must become part of the records of the department.

In fact, the credit department must be so administered that the officials of the bank may be relieved of all matters of detail with the assurance that they may rely absolutely upon the files being as complete as a conscientious chief can make them, thereby relieving them of many responsibilities which will allow them to devote their best energies to the larger financial policy of their institution. WAG.

BANK OF ENGLAND NOTE ISSUE.

[From the London "Statist," August 16.]

It has been evident from the recent numerous banking amalgamations, whereby country banks have lost their note issue, that the time was becoming ripe for the directors of the Bank of England to ask for further powers to increase their fiduciary note issue. They made such a request on June 12, and doubtless owing to the illness of the King the matter was not considered until the Privy Council of Monday last, when the request of the Bank of England was acceded to. The previous request was made on February 1, 1900, and between that date and June 12, 1902, country bank notes lapsed to the amount of £596,238. Two thirds of this amount is £397,492, but the directors have obtained authority to increase their fiduciary issues by £400,000. This was due to the fact that a balance was held over when the last increase in the note issue took place. Thus, when the Bank Act was passed in 1844, the aggregate circulation of the private and joint-stock banks in the country was £8,631,647. Of this amount no less than £6,268,985 has lapsed, and two-thirds of this would be £4,179,323. The increase in the fiduciary issue of the Bank of England has up to date, however, been only £3,775,000, so that the extent to which the Bank of England could on authority increase its note issue is £404,823, and of this figure £400,000 can now be added to the fiduciary note issue whenever the directors of the Bank of England think fit. The present authorization is the ninth that has been given since the Bank Act was passed. The extent to which the fiduciary note issue of the Bank of England has been increased, and the dates on which the order for the same was made, will be found in the following statement:

	Authorized.	*Exercised.*	*Amount.*
Act of 1844			£14,000,000
Order in Council,	December 7, 1855		475,000
" "	June 26, 1855		175,000
" "	February 3, 1886		350,000
" "	April 1, 1881	April 16	750,000
" "	September 15, 1887	October 5	450,000
" "	February 8, 1890	February 19	250,000
" "	January 29, 1894	February 21	350,000
" "	March 3, 1900	March 21	975,000
Present amount of fiduciary issue			£17,775,000
Now authorized by Order in Council, dated August 11, 1902			400,000
Future amount of fiduciary issue when the directors of the Bank act upon the Order in Council			£18,175,000

This frequent setting of the printing-press to work, involving an actual increase of 3¾ millions sterling of Bank of England notes not secured by gold, and a prospective increase to a total of £4,175,000 in a week or two, should not be regarded as indicating any increase in the note circulation of the country not secured by gold. As a matter of fact, there has been a diminution in the unsecured note issue. This will be seen in the following table, in which we set out the unsecured note issues on May 6, 1844, and at the present time:

	1844.	*Now.*
Country note issue	£8,631,647	£2,362,662
Bank of England fiduciary issue	14,000,000	17,775,000
	£22,631,647	£20,137,662
Increase in Bank of England issue just authorized	....	400,000
		£20,537,662

It will be seen that after the directors of the Bank have further increased the issue of notes unsecured by gold, the fiduciary issue of the banks in England and Wales will be £2,093,985 less than it was when the Bank Act was passed. The present authorized issue of the country banks is nominally £2,362,662 only, but it has been further reduced lately by the amalgamation of the Union Bank of London with Smith Payne's and their allied banks, which means the disappearance of another £221,460 of country note issues.

MYRON T. HERRICK, *President.*

*THE AMERICAN BANKERS' ASSOCIATION.

TWENTY EIGHTH ANNUAL CONVENTION TO BE HELD AT NEW ORLEANS, NOVEMBER 11, 12 AND 13.

Recent events in financial circles tend to emphasize the importance of the convention of the American Bankers' Association to be held at New Orleans, La., November 11–13. It is realized that the time is opportune for the bankers to speak with some degree of unanimity regarding some needed changes in our antiquated banking system, and it is confidently believed that a substantial agreement will be reached in regard to measures generally considered desirable to alleviate the recurring periods of monetary strain.

Aside from the circumstances that lend particular interest to the approaching convention, the conditions are all favorable for an interesting and profit-

* Portraits of the Vice-Presidents of most of the States are presented on following pages, also portraits and sketches of the new members of the executive council. Portraits and sketches of the other members of the council, and of the other officers, were presented in THE BANKERS' MAGAZINE for September, 1901.

able meeting. The membership of the association now exceeds 5,000, and the activity of the organization in several directions has attracted wide attention from the bankers in the past few years. New Orleans is a city rich in historic associations, and the weather should be favorable at the time the convention meets. There has been a great revival of productive industry throughout the South in recent years and the bankers will no doubt be glad of this opportunity to observe for themselves these manifestations of prosperity, and incidentally to profit by them.

It will probably be found that the local committee of arrangements has amply provided for making the visit of the bankers to New Orleans a pleasant one, and their efforts in this direction should stimulate the attendance.

It is understood that the programme will deal with matters of present interest to the bankers of the country, and the discussion of the various subjects to come before the convention will be of an enlightening character.

That the action taken by the convention shall fairly voice the banking sentiment of the United States it is desirable that as many banks as possible should send representatives. Every bank belonging to the association is entitled to representation.

The visit to New Orleans, besides the direct benefits of the convention, will be replete with delightful incidents that will assure a pleasant time for all who may attend.

A review of the recent work of the association will be found in another part of this number of the MAGAZINE.

NEW MEMBERS OF THE EXECUTIVE COUNCIL.

Frank G. Bigelow, chairman of the executive council, is identified with one of the most successful banks in the country—the First National, of Milwaukee, of which he is President.

Mr. Bigelow was born at Hartford, N. Y., in 1847 and went to Milwaukee in 1864, entering the First National Bank. He was promoted through the various positions, and in 1893, on the retirement of Mr. H. H. Camp from active banking, Mr. Bigelow was elected President.

FRANK G. BIGELOW,
Chairman Executive Council.

Some idea of the progress of this bank in recent years may be had from the fact that the deposits increased from $9,489,179 on July 14, 1896, to $15,301,281 on July 15, 1901. Since the latter date the capital has been increased from $1,000,000 to $1,500,000. On July 14, 1896, the surplus and profits amounted to $279,691, while now the aggregate of these two items is over $750,000.

The First National

Bank has always maintained the confidence of its depositors, and its present prosperity and the large volume of its business are results toward whose accomplishment Mr. Bigelow has largely contributed during his long and active identification with the bank.

John L. Hamilton, of the firm of Hamilton & Cunningham, Bankers, Hoopeston, Illinois, a member of the executive council of the American Bankers' Association, chairman of the fidelity insurance committee of the American Bankers' Association, also chairman of the

JOHN L. HAMILTON,
Member Executive Council.

executive council of the Illinois Bankers' Association and president of the Illinois Bankers' Association in the year 1899, was born May 8, 1862, in the State of Illinois; was deputy county treasurer of Iroquois county from 1878 to 1886; in 1888 was deputy county clerk of Iroquois county, resigning the position to assist in the organization of the Citizens' Bank of Watseka, Ill. In 1889 Mr. Hamilton went to Hoopeston, Ill., as Cashier of the Burwell, Hamilton & Morgan Bank, of which the firm of Hamilton & Cunningham is successor. In 1895 he was elected a member of the city council of the city of Hoopeston, and in 1897 elected mayor and served until May 1, 1901. During his term of office as mayor more public improvements were put in than ever before in the history of the city, such as paving and erection of the city buildings, library, etc.

Mr. Hamilton has always taken an active part in the affairs of the American Bankers' Association and also of the association of his State, and has served on many important committees in each body. In the year 1900 he was sent as a delegate by the American Bankers' Association to Europe.

In 1892 Mr. Hamilton was married to Miss Mary A. Hall of Onarga, Illinois. They have three children, Lawrence, Donald and Robert.

Col. Francis H. Fries was born February 1, 1855, at Salem, North Carolina. His ancestors came from Saxony, Germany, during the last century, and were

FRANCIS H. FRIES,
Member Executive Council.

among the early settlers who came to this country under the auspices of the Moravian Church, of which he is a prominent and influential member.

He graduated with honors in 1873, and at once entered the business of F. & H.

Fries, where he remained in active management of their cotton and woolen mills until 1887.

In January, 1885, he was made colonel on the staff of Gov. A. M. Scales, in which capacity he served during Gov. Scales' continuance in office. In 1887 he was chosen to build the Roanoke and Southern Railroad across the Blue Ridge Mountains, which was done under his management, he remaining as its president until it was merged into the Norfolk and Western Railway system in 1892.

In June, 1893, he was elected to the presidency of the Wachovia Loan and Trust Company, of Winston-Salem, N. C., which institution has grown under his management to be the largest and most influential trust company in the State, with which is connected a banking department that does a regular collection and discount business.

He is also President of the Washington Banking and Trust Co., of Fries, Va., a director in the Wachovia National Bank, of Winston-Salem N. C. and a director in the Salisbury Savings Bank, Salisbury, N. C.

Col. Fries is still connected with cotton manufacturing, being at present president of the Mayo Mills and the Avalon Mills, of Mayodan, N. C., the Washington Mills, of Fries, Va., and largely and directly connected with the management of three others, all of which are highly successful.

One of the active members of the executive council is Percival C. Kauffman, Second Vice-President of the Fidelity Trust Company of Tacoma, Washington, and secretary of the Washington State Bankers' Association. He was formerly President of the Tacoma Clearing-House Association, and previous to his election as a member of the executive council was vice-president of the American Bankers' Association for the State of Washington.

He was born in Mechanicsburg, Cumberland county, Pa., and was educated at the Cumberland Valley Institute, the Lauderbach Academy and the University of Pennsylvania in Philadelphia, graduating from the law department of that institution in 1879, having pursued his legal studies in the office of ex-Attorney-General Wayne MacVeagh. He practised his profession very successfully in Harrisburg and Hazleton, Pa., till 1887, when he moved to Vancouver, State of Washington, and organized the Commercial Bank of that place, of which he was

P. C. KAUFFMAN,
Member Executive Council.

the Vice-President until January 1, 1892, when he accepted a position as Cashier of the Fidelity Trust Company, of Tacoma, which office he held until February, 1902, when he was advanced to Second Vice-President.

The Fidelity Trust Company is one of the strongest and best known financial institutions in the State of Washington. It occupies very convenient offices in its fine six-story fire-proof building, one of finest structures on the Pacific coast. The company is chartered to act as executor, administrator, trustee or in any fiduciary capacity, and also transacts a general banking business, having a paid-up capital of $300,000 with deposits averaging one million dollars.

Its directorate includes the names of some of the most prominent business men of the State of Washington, who are actively interested in almost every important enterprise tending to the highest development of the State.

Mr. Kauffman's addresses, both before the conventions of the American Bankers' Association and his own State association, have been prominent features at these meetings in recent years. He is a firm believer in the future commercial greatness of the Pacific Coast, and is an untiring and eloquent expounder of the resources of that favored section of the country.

Mr. Mather is President of the American Trust Company, Cleveland, Ohio—having held that position for the last three years. He has also been a director of the Mercantile National Bank, of Cleveland, for the past twelve years.

WM. G. MATHER,
Member Executive Council.

In addition to being a member of the executive council of the American Bankers' Association, Mr. Mather has been further honored by that organization, having been chairman of the Trust Company Section. He presided at the meeting of the Section held during the convention at Milwaukee last year.

Ralph Van Vechten, Cashier of the Cedar Rapids National Bank, is one of

RALPH VAN VECHTEN,
Member Executive Council.

the well-known bankers of the State of Iowa.

In 1880, at the age of eighteen, he entered the office of G. F. Van Vechten, Banker, at Cedar Rapids, as messenger. In 1887 he had worked up to the position of teller, and G. F. Van Vechten's Bank then became the Cedar Rapids National Bank, and the subject of this sketch was appointed its Cashier, which position he has held ever since. At the time of the reorganization the deposits were less than $200,000 and have grown steadily until they are now very close to $2,000,000. Mr. Van Vechten is now entering on his twenty-third year's work in the bank where he started.

When the question of choosing new members of the council came up at Milwaukee last year, the bankers of the Southwest came out strongly in favor of the election of E. F. Swinney, of Kansas City, Mo., and he was elected for the term of three years.

E. F. SWINNEY,
Member Executive Council.

Mr. Swinney is President of the First National Bank, of Kansas City, Mo., an old and important institution. He is one of the popular bankers of his section of the country, his popularity being due to the fact that he has character and abilities of a kind that commands respect.

Mr. Sullivan is one of Ohio's prominent bankers, being President of the

J. J. SULLIVAN,
Member Executive Council.

Central National Bank, of Cleveland, of which he was the organizer. It is one of the leading banks of Cleveland, and has shown a steady addition to its business under Mr. Sullivan's management.

In October, 1899, Mr. Sullivan was chosen president of the Ohio Bankers' Association. He has made several interesting addresses before bankers' conventions in his own and other States.

Pennsylvania is represented in the executive council by J. R. McAllister,

J. R. MCALLISTER,
Member Executive Council.

Cashier of the Franklin National Bank, Philadelphia.

Mr. McAllister started in the banking business with the National Bank of the Republic, Philadelphia, May 15, 1878. In October, 1881, he entered the employ of the First National Bank, of that city, in the correspondence department. When he resigned on February 15, 1892, he was one of the paying tellers. He left to accept a position with the Corn Exchange National Bank as foreign collection clerk. On April 15, 1892, he was appointed Assistant Cashier and in 1893 was made Cashier, holding that position up to June 1, 1900. When he started with the Corn Exchange National Bank its deposits

were $2,000,000, and when he left it they reached the total of $11,500,000.

Mr. McAllister resigned to accept a position as Cashier of the Franklin National Bank, a new institution which was started in Philadelphia on July 2, 1900, with $1,000,000 capital and $1,000,000 paid-in surplus.

The growth in the business of the bank has been marked, the deposits amounting on July 16, 1902, to $14,768,746 07. Its directory is exceptionally strong, the Equitable Life Assurance Society and the Pennsylvania Railroad being prominently represented.

At the convention of the Pennsylvania Bankers' Association in 1901 Mr. McAllister was elected vice-president of that organization and was chosen president at the recent meeting at Philadelphia.

At the convention of the American Bankers' Association held in 1900 he was elected vice-president for Pennsylvania, and at last year's convention was chosen a member of the executive council.

James M. Donald, Vice-President of the Hanover National Bank, New York, is a new member of the executive council. Mr. Donald has been so busy for a good many years that he has not had time to have a photograph taken, consequently his portrait does not appear. As every banker knows, the Hanover National is one of the largest and strongest banks of the United States. Mr. Donald has been officially connected with the bank for a long time. He is in every respect a thorough bank man.

STATE VICE-PRESIDENTS.

J. H. HAYES, *Vice-President for Colorado.*

(President First National Bank, Colorado Springs.)

JABEZ AMESBURY, *Vice-Pres. for Connecticut.*

(Cashier Danbury National Bank.)

JOHN H. DANBY, *Vice-Pres. for Delaware.*

(Cashier Union National Bank, Wilmington.)

E. D. WALTER, *Vice-President for Georgia.*

(Cashier National Bank of Brunswick.)

E. J. PARKER, *Vice-President for Illinois.*

(Cashier State Savings, Loan and Trust Co., Quincy.)

JAS. R. MCKINNEY, *Vice-Pres. for Ind. Ter.*

(Cashier Durant (I. T.) National Bank.)

J. L. EDWARDS, *Vice-President for Iowa.*

(Cashier Merchants' National Bank, Burlington.)

C. Q. CHANDLER, *Vice-President for Kansas.*

(President Kansas National Bank, Wichita.)

H. C. RODES, *Vice-President for Kentucky.*

(Pres. Citizens' National Bank, Louisville.)

WM. J. KNOX, *Vice-President for Louisiana.*

(President Bank of Baton Rouge.)

H. B. WILCOX, *Vice-President for Maryland.*

(Cashier First National Bank, Baltimore.)

D. W. BRIGGS, *Vice-President for Michigan.*

(Second Vice-President Bank of Saginaw.)

A. A. CRANE, *Vice-President for Minnesota.*

(Cashier National Bank of Commerce, Minneapolis.)

J. B. THOMAS, *Vice-President for Missouri.*

(Cashier Bank of Albany, Albany, Mo.)

M. A. ARNOLD, *Vice-President for Montana.*

(Cashier First National Bank, Billings.)

W. C. WALTON, *Vice-President for New Hampshire.*

(Cashier New Hampshire National Bank, Portsmouth.)

S. H. BLACKWELL, *Vice-Pres. for New Jersey.*

(Cashier First National Bank, Princeton.)

JNO. F. BRUTON, *Vice-President for North Carolina.*

(President First National Bank, Wilson.)

C. B. LITTLE, *Vice-President for North Dakota.*

(President First National Bank, Bismarck.)

T. C. STEVENS, *Vice-President for Ohio.*

(Cashier Merchants' National Bank, Toledo.)

WILIE JONES, *Vice-Pres. for South Carolina.*

(Cashier Carolina National Bank, Columbia.)

B. A. CUMMINS, *Vice-Pres. for South Dakota.*

(Cashier First National Bank, Pierre.)

N. P. LE SUEUR, *Vice-President for Tennessee.*

(Cashier American National Bank, Nashville.)

JOHN E. DOOLY, *Vice-President for Utah.*

(President Utah National Bank, Ogden.)

H. E. JONES, *Vice-President for Virginia.*

(President Dominion National Bank, Bristol.)

N. H. LATIMER, *Vice-Pres. for Washington.*

(Manager Dexter Horton & Co., Seattle.)

GEO. L. FIELD, *Vice-President for Wisconsin.*

(Cashier First National Bank, Ripon.)

I. C. WHIPPLE, *Vice-President for Wyoming.*

(Vice-President Stock Growers' National Bank, Cheyenne.)

NOTE.—In addition to the vice-presidents whose portraits are presented in this issue, the States and Territories given below are represented by the following-named gentlemen whose photographs were requested but not received:

Alabama.—E. B. Young, Vice-President Eufaula National Bank, Eufaula.
Alaska Territory.—B. M. Behrends, of B. M. Behrend's Bank, Juneau.
Arizona Territory.—Wm. Christy, President Valley Bank, Phoenix.
Arkansas.—John G. Fletcher, President German National Bank, Little Rock.
California.—Jas. K. Wilson, President San Francisco National Bank.
District of Columbia.—Chas. C. Glover, President Riggs National Bank, Washington.
Florida.—F. C. Horton, Cashier American National Bank, Pensacola.
Idaho.—Howard Sebree, President First National Bank, Caldwell.
Indiana.—Henry Itel, Vice-President Union Trust Company, Indianapolis.
Maine.—E. Stetson, President First National Bank, Bangor.
Massachusetts.—D. G. Wing, Vice-President Massachusetts National Bank, Boston.
Mississippi.—C. R. Sykes, Cashier First National Bank, Aberdeen.
Nebraska.—C. F. Bentley, Cashier First National Bank, Grand Island.
New Mexico.—J. M. Cunningham, President San Miguel National Bank, Las Vegas.
New York.—G. S. Whitson, Vice-President National City Bank, New York.
Nevada.—H. M. Gorman, President Bullion and Exchange Bank, Carson City.
Oklahoma.—Otto A. Shuttee, Cashier Citizens' National Bank, El Reno.
Oregon.—H. W. Corbett, President First National Bank, Portland.
Pennsylvania.—W. L. Gorgas, Cashier Harrisburg National Bank.
Rhode Island.—A. J. Wells, President Rhode Island Hospital Trust Co., Providence.
Texas.—J. Z. Miller, Sr., President Belton National Bank, Belton.
Vermont.—C. P. Smith, President Burlington Savings Bank, Burlington.
West Virginia.—H. R. Warfield, Cashier Elkins National Bank, Elkins.
Hawaii Territory.—J. H. Fisher, of Bishop & Co., Honolulu.

THE CABILDO, WHERE LOUISIANA TERRITORY WAS TRANSFERRED TO THE UNITED STATES.

THE CITY OF NEW ORLEANS.

A REVIEW OF THE CITY'S BANKING AND COMMERCIAL INTERESTS.

The twenty-eighth annual convention of the American Bankers' Association will be held in the city of New Orleans, La., November 11, 12 and 13.

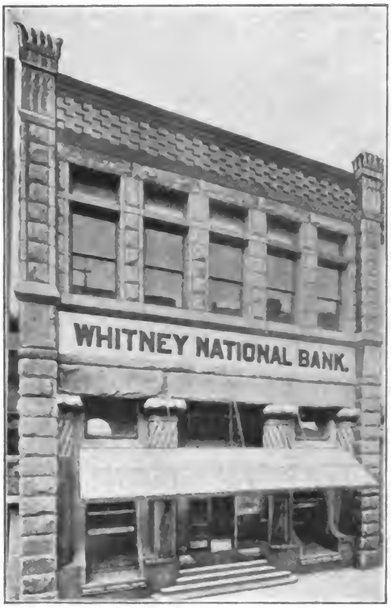
New Orleans is the principal city of Louisiana, and can well be styled the "pearl of the South." It nestles softly on the banks of one of the mightiest rivers of the world, the Mississippi, whose tributaries spread through a vast and fertile territory.

SITUATION AND GENERAL CHARACTERISTICS.

New Orleans can well claim its place as the great commercial metropolis of the South, and is now considered one of the leading American cities, as well as one of the most important commercial markets in the world.

Its port facilities are unrivalled, and its contiguousness to the rich and fertile regions of the Mississippi Valley makes it the gateway of the South, as well as one of the best located seaports on the Continent.

Its climate is most healthful and delightful, the board of health statistics showing it to be one of the healthiest and best regulated cities as to sanitation in America. It is rich in historical memories, and is noted for its picturesque scenes, famous to all tourists and travellers who flock to this famous old city every winter. At the beginning of early spring, in February gener-



WHITNEY NATIONAL BANK.

NEW ORLEANS NATIONAL BANK.

ally, there is an annual carnival, which is celebrated in most magnificent style, several organizations giving beautiful and artistic parades, illustrating various subjects, and these processions are followed by a large but exclusive ball in the French Opera House, the meeting place of the *élite* of New Orleans society. These carnivals have done much to advertise the city, and have won for it much fame, which has spread abroad, one and all declaring these celebrations to be finer than even those of Europe. Although now the upper portion of the city is completely modernized and many handsome and costly structures have been erected, the French quarter below Canal street still retains the flavor of old-time romance and customs. There is still preserved the old-fashioned houses with their quaint Spanish architecture and cool court-yards, the home of the nobility of the older days. The principal old streets are Bourbon, Royal and Chartres, and many of the streets in that section of the city bear old French names, reminders of the days when New Orleans was dominated by the Latin race.

New Orleans was founded in 1718 by Jean Bienville, Governor of the French colony, established nineteen years previous at Biloxi. In 1762 Louisiana was transferred by France to Spain, remaining under Spanish dominion until 1800, when France again took possession of it. In 1803 the United States purchased Louisiana, and from that time New Orleans has grown from little more than a village into a mighty and prosperous city. The progress of the city has been rapid and remarkable, and passing the period of reconstruction days, which was a very trying epoch, there has been no interruption of the development of the various interests constituting the basis of the city's prosperity.

New Orleans is spread over an area of 192 miles, and according to the last census has a population of 287,104. There are 210 miles of paved streets, twenty of which are asphalt. The system of electric cars is the best in the country, and the parks and driveways are numerous and handsome. The system of wharfs is perfect, affording ample facilities for the large and expanding volume of marine traffic. But it is not only in material things that New Orleans can lay claim to greatness. Her educational institutions are numerous and ably conducted, while the free public libraries are useful and modern in every respect. A number of theatres afford opportunities for amusement, and there is an annual season of opera.

Among the many commercial advantages possessed by New Orleans the following may be noted : It is the largest market in the world for cotton, sugar and rice ; it is one of the great exporting centers of the United States ; it has a very large coastwise business and a splendid harbor.

Prosperous Condition of Business Interests.

The trade of New Orleans for the year ending August 31, 1902, was the largest on record, the combined exports and imports and receipts and shipments from the interior showing a total trade movement amounting to $708,347,707 ; the imports and customs receipts and bank clearances $650,573,548, and the manufacturing output $80,642,675, while every branch of trade and business industry showed an improvement.

In the past year the city spent $5,000,000 on public improvements, paving, drainage and construction of new wharves, and has $14,000,000 in reserve to continue the good work.

Metropolitan Bank.

Hibernia National Bank.

A CORNER OF JACKSON SQUARE—ST. LOUIS CATHEDRAL.

The rapid growth of the foreign commerce of this port can not be better illustrated than by the following figures :

	Exports.	*Imports.*	*Total Foreign Com,*
1899	$90,121,115	$11,946,344	$102,067,459
1900	114,483,081	18,478,396	132,961,427
1901	152,911,748	21,093,005	174,004,753
1902	130,290,851	24,066,349	154,357,200

BRIEF HISTORICAL REVIEW OF THE BANKING INTERESTS OF NEW ORLEANS.

The history of the banking institutions of New Orleans is most interesting, especially that covering the period from 1820 to 1860. Three of the banks that were organized prior to 1840 are still in existence—the State National, the Canal, and Citizens' Bank of Louisiana. The progress of the development of banking interests has always been on conservative lines, and the business has uniformly been on a substantial foundation, and the direction of the banks has been marked by sound policy and skilful management.

The banking facilities of New Orleans are exceptionally good. There are now fifteen banks and three trust companies in operation. The New Orleans Clearing-House is composed of thirteen members, and is conducted on mod-

ern lines. It was organized in 1872, and has been instrumental in checking distrust in times of panic. During the panic of 1873 and also in the trying times of 1879, 1893 and 1896 it served as the financial bulwark of the South. The following are its officers: R. M. Walmsley, President, President Louisiana National Bank; A. Baldwin, Vice-President, President New Orleans National Bank. Committee of Management: R. M. Walmsley and A. Baldwin, ex-officio; J. C. Morris, President Canal Bank; J. C. Denis, President Germania National Bank, and Joseph T. Hayden, President Whitney National Bank. Edward Herndon, the Manager, is a most able and efficient officer. He is the son of the late T. C. Herndon, who occupied the position for about fifteen years.

STATE NATIONAL BANK.

In 1804, the year following the Louisiana purchase, the first bank was established in New Orleans when the Louisiana Bank was organized, there being no banking institution under the French and Spanish *régime*. Evan Jones, an American, was President and Paul Lanusse, a Creole, Secretary, thus binding together the two races in the walks of finance.

In 1805 the United States Bank, of Philadelphia, established a branch in New Orleans and in 1811 the Bank of Orleans and also the Louisiana Planters' Bank were organized. In 1818, when the Louisiana Bank was being liquidated, the Louisiana State Bank was chartered by the Legislature and still exists as the State National Bank. In 1824 the Bank of Louisiana was established with a larger capital than any other bank then organized—$4,000,000. In 1827 the Consolidated Association of the Planters of Louisiana was organized. In 1831 the Canal and Union banks were established. In 1833 followed the Citizens' Bank, the Commercial and the Mechanics and Traders', together with the City Bank of New Orleans. Thus in ten years eight banks had been organized in New Orleans, with a combined capital of $41,000,000.

When the Civil War broke out the banking institutions were in a prosperous condition, and since then some have gone out of existence, while others have taken their place.

The banks of the city show an increase of $11,109,638 in capital, surplus and deposits over last year, making an increase of twenty-five per cent. in capital in twelve months. The three trust companies have added $3,550,000 to capital and surplus, while the balance of the increase is due to improved business, and the Savings banks show a large increase in individual deposits.

The increase in capital, surplus and deposits in the past year has been as follows:

Capital paid in	$2,150,000.00
Surplus funds	2,269,027.00
Individual deposits (not in Savings banks)	4,241,659.00
Individual deposits (in Savings banks)	1,500,000.00
Interest-bearing deposits (not "savings")	291,225.50
Other deposits	657,726.50
Total increase over a year ago	$11,109,638.00

The increased capitalization of the banks is due principally to the establishment of three large trust companies, the Hibernia Bank and Trust Co., the Inter-State Trust and Banking Co., and the Commercial Trust and Savings Bank, which brought an additional $3,500,000 in capital to strengthen the financial forces of New Orleans.

The Southern Trust and Banking Co. was organized a short time ago by local men, who bought out the Union National Bank and consolidated with the Hibernia National Bank, the new name being the Hibernia Bank and Trust Co., with a capital of $1,000,000 and a surplus of $2,000,000.

The Inter-State Trust and Banking Co., established also by local men, has besides much Eastern and Western capital interested with them, and has opened up recently with capital and surplus of $2,000,000.

The Commercial Trust and Savings Bank was organized by the controlling interest of the Commercial National Bank, in order to do other business than that authorized by the charter of the latter institution.

An interesting feature of the city's banking is the increased deposits in Savings banks, indicating the thrift and prosperity of the laboring class, most notably evidenced by an increase of 3,000 depositors in the Germania Savings Bank, one of the largest institutions of its kind in the city. The New Orleans National, the Whitney National, the Louisiana National and the State National banks are some of the largest banks, doing a very large business, and possess very fine buildings, while the other banks keep well in line; even in Algiers, across the river from New Orleans, a Savings bank has been established and is prospering.

The following table, compiled by Mr. Edward Herndon, Manager of the New Orleans Clearing-House, tells the story of the increased business done by the banks of the city:

Clearings (year) September 1, 1901, to August 31, 1902	$650,573,548
Clearings (year) September 1, 1900, to August 31, 1901	608,759,307
Increase 1902 over 1901	$41,814,241
Clearings for year ending August 31, 1900	$500,671,071
Clearings for year ending August 31, 1899	434,956,301
Clearings for year ending August 31, 1898	447,673,946
Clearings for year ending August 30, 1897	420,421,950
Clearings for year ending August 31, 1896	498,816,186

For the year ending August 1, 1902, the banks of New Orleans paid dividends ranging from two and one-half to thirty per cent. of the par value of their shares.

The State of Louisiana has generally maintained a high average in the character of the banking institutions, and the existing banks, operating under State and National charters, as well as the trust companies, are not only preserving the enviable reputation achieved in the past, but are making possible an era of development unmatched in the history of the Southern Metropolis.

NEW ORLEANS EPITOMIZED.

Population—287,104.

City Debt—About $14,621,675.66.

Assessed Valuation of Property—About $145,000,000.

Tax Rate—City, $22 per $1,000; State, $7 per $1,000.

Railroad Lines—Illinois Central, Yazoo and Mississippi Valley, Southern

New St. Charles Hotel.

Pacific, Texas and Pacific, Louisville and Nashville, New Orleans and North-eastern, Louisiana Southern, East Louisiana, New Orleans, Fort Jackson and Grand Isle, New Orleans and Western.

Annual Shipments—Exports, $142,000,000; imports, $20,000,000.

Mississippi River—City frontage, about fifteen miles; wharves, six miles. Range of depth along docks, about 25 to 35 feet. Range of depth of channel, about 50 to 110 feet.

Number of Banks—Seventeen, of which eight are National, five State, and four Savings banks.

Capital Invested in Banks—$8,000,000.

Educational Establishments—Sixty-nine public schools, and ten colleges and universities.

Gas or Electricity—Both.

Water Works—New Orleans Water Works Company.

Street Cars—Thirty electric lines, two steam suburban lines; mileage, electric lines, 165 miles.

Asphalted Streets—Twenty six miles; other paved streets, 180½ miles, total, 206½ miles paved streets.

Extent of Drainage System—Contemplated, about $8,000,000, of which more than half has been completed.

City Founded in February, 1817—By M. de Bienville.

Churches—Adventist, 1; Baptist, 67; Catholic, 41; Christian, 1; Christian Scientists, 2; Congregational, 4; Episcopal, 13; Evangelical Protestant, 4; Greek, 1; Jewish, 6; Lutheran, 10; Methodist Episcopal, 42; Presbyterian, 15; Unitarian, 1; total, 208.

Raw Materials—Cotton, sugar, rice, tobacco, lumber, oil, sand for brick, and glass, and many others.

Industries Desired—All kinds of manufacturing industries.

Exchanges—Board of Trade, Sugar Exchange, Lumbermen's Exchange, Auctioneers' Exchange, Cotton Exchange, Live Stock Exchange, Maritime Association, Produce Exchange, Real Estate Exchange, Stock Exchange.

Coal—Annual receipts, about 1,750,000 tons; cost about $2.75 to $3.50 per ton.

Description—New Orleans has unsurpassed advantages as a manufacturing point. Its distributing facilities by rail and water are unexcelled. Labor is plentiful, intelligent and reliable. The raw material in almost every line is produced in abundance at the city's very doors.

Annual Exports of Cotton—About 1,600,000 bales.

Exports of Grain—About 31,700,000 bushels.

Character of Cotton—Ranges from "Low Ordinary" to "Fair;" length of staple from one inch to one inch and five-eighths.

Height Above Sea Level—Varies from one and one-half feet below to fourteen feet above.

RIXFORD J. LINCOLN.

INTERSTATE TRUST AND BANKING COMPANY.

The banking department of this institution receives deposits subject to check from individuals, corporations and firms, and is also well equipped for handling the accounts of out-of-town banks and bankers. Facilities are offered in the foreign department for transmitting money to foreign countries, and letters of credit are issued available in all parts of the civilized world. The receipt of savings deposits is also provided for, interest being allowed at a rate commensurate with the absolute safety of the investments made.

The Interstate Trust and Banking Company is authorized by law and by its charter to accept and execute trusts and agencies of any and every description. The company is thus prepared to exercise all the functions of a modern trust company, and its ample capital and the high character of the management afford an absolute guaranty not only of fidelity and safety but of superior skill in handing all business entrusted to its various departments.

The officers are men of large experience in banking and general business, and the directors represent some of the strongest commercial, manufacturing and financial interests in the city of New Orleans and other parts of the country.

Officers are: W. B. Rogers, President; J. H. Ingwersen, Vice-President; L. R. Bergeron, secretary and treasurer; G. H. Hovey, Cashier; R. J. Kennedy, Assistant Cashier; H. M. Young, trust officer.

Directors: Geo. F. Baker, Jr., Assistant Cashier First National Bank, New York; Geo. C. Clark, of Clark, Dodge & Co., bankers, New York; Wm. N. Cromwell, of Sullivan & Cromwell, lawyers, New York; Charles S. Fairchild, President New York Security and Trust Co., New York; Geo. S. Gardiner, of Eastman, Gardiner & Co., lumbermen, Laurel, Miss.; J. L. Herwig, capitalist, New Orleans; C. H. Huttig, President Third National Bank, St. Louis; J. H. Ingwersen, Vice-President, New Orleans; R. W. Jones, Jr., Vice-President Seventh National Bank, New York; W. T. Joyce, president Joyce Lumber Co., Chicago; Henry Lehman, of A. Lehman & Co., wholesale dry goods, New Orleans; J. H. Levy, of M. Levy & Sons, cotton factors, New Orleans; T. H. McCarthy, secretary and treasurer Ruddock Cypress Co., Ltd., New Orleans; Jno. M. Parker, of Jno. M. Parker & Co., cotton factors, New Orleans; Geo. B. Penrose, city treasurer, New Orleans; Louis P. Rice, of Louis P. Rice & Co., wholesale saddlery, New Orleans; W. B. Rogers, President, New Orleans; Henry M. Sage, of Sage Land and Improvement Co., Albany, N. Y.; L. Sexton, physician and capitalist, New Orleans; W. B. Spencer, of Howe, Spencer & Cocke, attorneys, New Orleans; S. P. Walmsley, Vice-President Louisiana National Bank and president New Orleans Cotton Exchange.

HIBERNIA BANK AND TRUST COMPANY.

New Orleans; Sol Wexler, of Julius Weis & Co., bankers, New Orleans; Ira E. Wight, treasurer Woodward-Wight & Co., Ltd., wholesale grocers and ship chandlers, New Orleans.

Mr. Ingwersen, Vice-President of the Interstate Trust and Banking Company, is a member of the executive council of the American Bankers' Association. He was for a number of years prominently and successfully connected with banking in Iowa.

An illustration of the new building being erected by the company is shown elsewhere in this issue.

Established on broad and sound foundations, the Interstate Trust and Banking Company is already one of the great financial institutions of the South, and it is well prepared in every respect to foster the business development of New Orleans and the Southern States.

HIBERNIA BANK AND TRUST COMPANY.

This company represents a union of several strong financial institutions. Some time ago the Union National Bank was merged into the Southern Trust and Banking Company and on July 31, 1902, the Southern Trust and Banking Company and the Hibernia National Bank were merged into the Hibernia Bank and Trust Company. As might be expected, the consolidation of these important interests gave the reorganized institution a very large volume of business. On September 15, 1902, the capital was $1,000,000; surplus and profits

$2,029,844; deposits $8,173,991, and total assets $11,203,836.

This is not only the largest bank in New Orleans, but one among the most important in the South, and there is no doubt that with the completion of the new and imposing building shown in our illustration the business of the company will receive a further impetus.

At the head of the company's management is the President, J. W. Castles, who was formerly President of the Hibernia National Bank. Most of the other officers have also been long and prominently associated with banking in New Orleans. They are: Vice-Presidents, Andrew Stewart, S. V. Fornaris, F. J. Kinney; Cashier, Charles Palfrey; Assistant Cashiers, George Ferrier, P. L. Girault, L. M. Pool.

Supported by a board of twenty four directors representative of the best commercial, manufacturing and other interests of the city, these gentlemen are in control of a company that is already in the front rank of the financial institutions of New Orleans and destined to keep fully abreast of the progress of the Southern Metropolis.

PEOPLE'S BANK.

Attention is invited to the advertisement of the People's Bank, appearing on another page of this issue. The capital of the bank is $250,000, and there is a surplus of about $10,000 additional. Deposits amount to about $1,200,000, and the aggregate assets exceed $1,500,000.

The officers of the bank are: President, Louis Cucullu; Cashier, J. A. De Blanc. The board of directors comprises the following well-known New Orleans business men: Louis Cucullu, George Lhote, Aaron Davis, A. Xiques, Julius Koch and Philip Werlein.

A regular commercial banking business is transacted and every facility is extended to patrons consistent with judicious business methods. Mercantile accounts constitute an important share of the bank's business, and the equipment for handling these accounts, as well as those of other individuals, corporations, firms and banks, is of the best.

NEW ST. CHARLES HOTEL.

By no means the least important feature of the trip to New Orleans is the opportunity afforded of stopping at the magnificent New St. Charles Hotel.

The hotel is new and one of the most modern, largest and best hotels in the country, accommodating 700 guests, with one hundred and fifty private bath rooms, four hundred and fifty parlors and bed rooms, alcoved, single and en suite. It is absolutely fireproof, and is steam heated, and lighted throughout with electricity, insuring warmth and comfort at all times. The drinking water is filtered, distilled and aerated, and the ice made from it on the premises, both absolutely pure. The colonnade and roof garden on the parlor floor afford a delightful open-air promenade in sunshine or shade, among tropical plants and shrubbery. The Turkish and Russian baths are among the finest in the country, built of marble and luxuriously fitted up. The hotel is kept on both the American and European plans, with first class dining room and restaurant service and cuisine.

Messrs. Andrew R. Blakely & Co., Limited, are the proprietors, and they will doubtless take good care of all visitors and at moderate prices.

Following the usual custom, the convention headquarters will be established at the leading hotel in New Orleans, which is unquestionably the New St. Charles.

An illustration of the hotel is shown on a preceding page.

NEW YORK CLEARING HOUSE AND CHASE NATIONAL BANK.

BANKING IN THE LEADING CITIES.

NEW YORK.

CHASE NATIONAL BANK.

Few banks in the country have grown more steadily and rapidly than the Chase National Bank of New York.

In the last four years deposits have increased $20,000,000 ; the capital and earned surplus and profits also show very large gains.

This indicates the careful policy which has always characterized the bank's management.

When Henry W. Cannon became President of the Chase National, November 1, 1886, the deposits were $4,221,097 ; now they amount to $54,000,000. The total resources of the bank on September 15, 1902, were $58,505,226. Mr. Cannon was Comptroller of the Currency during the Administration of President Arthur, holding over for a time into the Cleveland Administration. He was a delegate to the International Monetary Conference at Brussels, and has filled various responsible positions inthe New York Chamber of Commerce and New York Clearing-House Association.

A. B. Hepburn, Vice-President of the Chase National Bank, is likewise widely known as a successful banker. He has

also filled many important public offices, having been for several terms a member of the New York Legislature, Superintendent of the Banking Department of the State of New York, National bank examiner and Comptroller of the Currency. In 1897 Mr. Hepburn was elected president of the New Ycrk State Bankers' Association.

The other officers of the Chase National Bank are: Cashier, E. J. Stalker; Assistant Cashiers, S. H. Miller, C. C. Slade, H. K. Twitchell and W. O. Jones. They constitute a staff of very loyal and efficient officers, and have rendered valuable assistance in making the institution what it is to-day—one of the staunchest banks in the country.

It need hardly be said that the Chase National is fortunate in being under the management of men of such wide experience as Mr. Cannon and Mr. Hepburn. The bank is also well located, occupying the ground floor and basement of the beautiful Clearing-House Building in the heart of the financial district, and the banking rooms are models of taste and convenience.

The Chase National Bank handles the accounts of a very large number of out-of-town banks and has special facilities for transacting this line of business. Its local accounts are also equally well cared for, and in all the essentials of a sound and well managed bank this institution ranks with the best. That this is the public verdict is evidenced by the bank's history.

GARFIELD NATIONAL BANK.

Located at Sixth avenue and Twenty-third street, in the centre of the great shopping district of the city, the Garfield National Bank is very favorably situated for meeting the requirements of a large number of tradesmen and shoppers. That this business is profitable is apparent from the steady rise of the volume of transactions and the increase in the price of the bank's shares.

The Garfield is a strong bank, having $1,000,000 capital, $1,000,000 surplus and $281,971 undivided profits. On September 15 last the deposits were $7,898,140 and the total resources $10,243,489.

While this bank does a large local business, it is also equipped for satisfactorily handling the accounts of out-of-town banks and bankers. The management is made up of men who are well and favorably known. R. W. Poor, who recently became President on the death of Mr. Gelshenen, has been long connected with the bank, having been Cashier for many years prior to his accession to the Presidency. C. W. Morse, Vice-President, is a prominent capitalist who is largely interested in a number of successful city banks. James McCutcheon, also a Vice President, is a leading merchant. W. L. Douglass, the Cashier, was promoted to that position from the office of Assistant Cashier. A. W. Snow, the present Assistant Cashier, is also an efficient officer.

The directors are: James H. Breslin, James McCutcheon, Chas T. Wills, R. W. Poor, Charles W. Morse, Harry F. Morse and Morgan J. O'Brien.

HANOVER NATIONAL BANK.

In its official statement made to the Comptroller of the Currency, September 15, 1902, the Hanover National Bank, of New York city, reported total resources amounting to $100,334,286, and deposits aggregating $87,550,063. These figures entitle this bank to a place among the very largest banks of the country. There are in fact only three or four that rank in the $100,000,000 class. A large part of the Hanover's gain in business has been made in the past few years, as the following comparative statement shows:

	Feb. 26, 1889.	*Sept. 15, 1902.*
Capital	$1,000,000	$3,000,000
Surplus	1,000,000	5,000,000
Undivided profits	159,000	908,000
Deposits	21,063,000	87,550,000

A record such as this speaks more effectively than any words could do of the alert policy which characterizes the direction of this bank. It is proper to state, however, that the very strongest financial interests of the city are repre-

New Building of the Hanover National Bank.

sented in the Hanover National's board of directors.

The bank is now completing a twenty-three story bank and office building at the corner of Nassau and Pine streets. It is constructed of steel and granite, and when finished will be one of the most imposing buildings in the financial district of New York—a locality that contains more fine structures than any similar area in the world.

The officers of the Hanover National Bank are men who have been long identified with the bank and have made it what it is to-day—one of the leading banks of the United States.

James T. Woodward has been President of the bank since 1877 and a director since 1873. He was President of the New York Clearing-House Association in 1898–99.

The Vice Presidents–James M. Donald and Wm. Halls, Jr.—also bear an active share in the bank's management. The other officers are ·Cashier, Wm. Logan; Assistant Cashiers, Wm. I. Lighthipe, Elmer E. Whittaker; Second Assistant Cashiers, Henry R. Carse and Alexander D. Cambell. They are all men of thorough bank training and have performed important services in the bank's behalf.

The directors are: James T. Woodward, President; Vernon H. Brown, of Vernon H. Brown & Co., Agents Cunard Steamship Line, 29 Broadway; Wm. Barbour, President The Barbour Bros. Co., 50 White Street; Auguste J. Cordier, Lalance & Grosjean Manufacturing Co., 19 Cliff Street; Sigourney W. Fay, Dry Goods Commission Merchant (Woolens), 82 and 84 Worth Street; Hudson Hoagland, Merchant, 126 Duane Street; Edward King, President Union Trust Co. of New York, 80 Broadway; Charles H. Marshall, Chairman Liverpool and London and Globe Insurance Company of England, 45 William Street; Cord Meyer, Merchant, 62 William Street; Benjamin Perkins, Merchant, 7 Nassau Street; John S. Phipps, 26 Broadway; Wm. Rockefeller, 26 Broadway; James Stillman, of Woodward & Stillman, Merchants, 16 to 22 William Street; Elijah P. Smith, of Woodward, Baldwin & Co., Dry Goods Commission (Cottons), 43 Worth Street; James Henry Smith, 10 Wall Street; Isidor Straus, of L. Straus & Sons, Importers of China and Glassware, 44 Warren Street; James M. Donald, Vice-President; William Halls, Jr., Vice-President.

NEW YORK NATIONAL EXCHANGE BANK.

An evidence of the prosperity of this bank is afforded by the new and handsome building of which the bank recently took possession. There are other signs of success equally plain. Since 1898 the deposits have increased from $1,600,000 to $6,000,000.

The bank was organized as a State institution in 1851, and entered the National banking system in 1863. There was practically a continuity in the management until October, 1898, when interests connected with the Hanover National Bank purchased control. That this change has added very materially to the business of the New York National Exchange Bank is seen by the large gain in the volume of deposits. Affiliation with the Hanover National—one of the notably strong banks of the city—is an assurance, if any were needed, that the New York National Exchange Bank is as solid as a rock. The bank is a United States depository. The favorable situation, at Chambers street and West Broadway, where many important lines of mercantile activity centre, offers opportunities for a still larger business as the demands of the district for banking facilities increase, and there is no doubt of the ability of the New York National Exchange Bank to seize these opportunities. With $500,000 capital and $250,000 surplus, and a large line of deposits entrusted to its keeping, the ability of the bank to meet the needs of this part of the city is unquestioned.

A special feature of the bank's business is the handling of bill-of-lading drafts—a service that has proven of value to Western banks handling accounts from shippers.

The officers and directors are as follows:

Officers: James Rowland, President; Lewis E. Pierson, Vice-President; Rollin P. Grant, Cashier.

Directors: James Rowland, of James Rowland & Co., President; Warren Cruikshank, of E. A. Cruikshank & Co.; James M. Donald, Vice-President Hanover National Bank; William Halls, Jr., President New York Land and Warehouse Co.; Hudson Hoagland, retired; Frank S. Hyatt, retired; Lee Kohns, of L. Straus & Sons, Pottery and Glassware; Wm. J. Merrall, of Acker, Merrall & Condit, Wholesale and Retail Grocers; James E. Nichols, of Austin, Nichols & Co., Wholesale Grocers; John H. Seed, Wool Commission; William Wills, President Merchants' Refrigerating Co.; Daniel W. Whitmore, of D. W. Whitmore & Co, Commission, Butter and Cheese; Lewis E. Pierson, Vice-President.

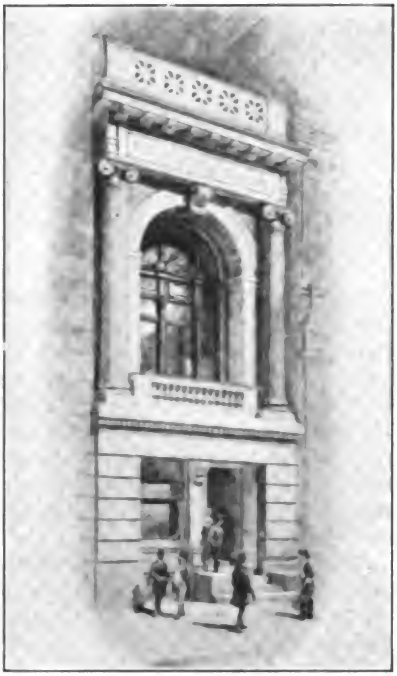
THE LIBERTY NATIONAL BANK.

When the Liberty National moves into its new building at 139 Broadway, about November 1, it will be most conveniently and appropriately situated in the heart of the financial district. The bank was fortunate in securing this fine location. On either side is a large office building, whose owners desired always to be sure that no tall building should be erected between them to shut off the light. They purchased the intervening ground and leased it to the Liberty National Bank for a long term of years. The building erected by the bank is admirably adapted for banking purposes, and will be occupied exculsively by the bank.

The Liberty National Bank has $500,000 capital, $500,000 surplus and $392,000 undivided profits. In 1896 the deposits were only $2,350,000, and $4,840,000 in 1898. At the present time they are about $8,000,000. This is a story of progress that illustrates as forcefully as anything could the sagacity of those in control.

About the time of removal to the new quarters it is proposed to increase the capital stock to $1,000,000 and to add $1,000,000 to the surplus.

The officers and directors who have made this highly creditable record for



THE LIBERTY NATIONAL BANK.

the Liberty National Bank are as follows:

President, E. C. Converse; Vice-President, Henry C. Tinker; Cashier, Chas. W. Riecks; Assistant Cashier, Frederick P. McGlynn; Chairman Executive Committee, Henry P. Davison. Mr. Davison was President until a short time ago, when he was elected Vice-President of the First National Bank. He is still, however, closely associated with the control of the Liberty National Bank.

The directors are: George F. Baker, President First National Bank, New York; Henry C. Tinker, Vice-President; Henry Graves, Maxwell & Graves, bankers, New York; E. F. C. Young, President First National Bank, Jersey City; Wm. Runkle, President Warren Foundry and Machine Company, New York; Arthur F. Luke, Darr, Luke & Moore,

New York; H. C. Fahnestock, Vice-President First National Bank, New York; Charles G. Emery, New York; E. C. Converse, President; Charles A. Moore, Manning, Maxwell & Moore, New York; T. A. Gillespie, President the T. A. Gillespie Company, New York; Francis L. Hine, Vice-President First National Bank, New York; Charles H. Warren, Chicago, Rock Island and Pacific Railway Company, Chicago, Ill.; Henry P. Davison, Vice President First National Bank, New York.

The Liberty National is a depository of the United States, State of New York and the City of New York.

PHILADELPHIA.

FOURTH STREET NATIONAL BANK.

The remarkable increase in the business of this bank has attracted attention from progressive bank managers in the large financial centres, and it has not been uncommon for the Fourth Street National to receive applications, both personally and by mail, from other banks that desired to adopt some of its ideas in regard to the management of a live modern bank.

In general, it may be said that the enlarged business of the bank is due to the prosperous condition of the great manufacturing and commercial interests of the city of Philadelphia and the country tributary thereto, and especially to the fact that the management of the bank has been quick to seize the opportunities presented by these favorable conditions. It ought to be said, also, that the bank has constantly sought to maintain the highest attainable standard in carrying on the details of its business, and as a result has been able to give the public very efficient service.

The story of the bank's progress in popular favor is shown in the following figures, taken from official reports to the Comptroller of the Currency. In 1887 individual deposits were only $2,483,504, and the total resources $4,695,983. By September, 1895, the individual deposits had grown to $5,765,986 and the total resources to $14,522,521. The surplus of the bank on the earlier date was only $75,000. On July 15, 1901, the total resources had grown to $38,887,432. The capital on this date was $1,500,000, the surplus and profits $2,198,278, and the deposits $34,118,156. From July 15, 1901, to July 16, 1902, the total resources increased to $42,202,067. But the careful policy of the bank is illustrated by

RICHARD H. RUSHTON, *President.*

the nature of the items increased. On examination it is found that the capital has been raised in the past year from $1,500,000 to $3,000,000, and the surplus and profits from $2,198,278 to $4,185,976. Thus the bank has not merely gained in bigness but has strengthened its capital and surplus to the extent of 100 per cent.

A great part of the bank's progress has been due to the tireless work and the widespread popularity of Richard H. Rushton, for a number of years Vice-

President and Cashier and since July 29 last the President. He is supported by a capable staff of officers and an efficient body of employees who are loyal to the

E. F. SHANBACKER, *Cashier.*

bank's interests, and take pride in its progress. The board of directors is made up of men who represent large business interests. A list of the officers and directors of the bank follows:

Officers: R. H. Rushton, President;

B. M. FAIRES, *Vice-President.*

Francis L. Potts, Vice-President; B. M. Faires, Second Vice-President; E. F. Shanbacker, Cashier; W. Z. McLear, Assistant Cashier; Frank G. Rogers, Manager Foreign Exchange.

Directors: Sidney F. Tyler; Elisha A. Hancock, of Hancock & Co., Bankers and Brokers, Exporters and Importers; James Hay, of James Hay & Co., Commission Merchants; Frank T. Patterson, of Geo. B. Newton & Co., Coal Shippers;

W. Z. MCLEAR, *Assistant Cashier.*

Charles I. Cragin, President Dobbins' Soap Mfg. Co.; William A. Dick, of Dick Brothers & Co., Bankers; Geo. W. Elkins, President Barrett Mfg. Co.; Effingham B. Morris, President Girard Trust Company; Francis L. Potts, President Enterprise Transit Co.; C. K. Lord, President Consolidation Coal Co., Baltimore; R. H. Rushton, President; S. M. Prevost, Third Vice-President Pennsylvania R. R. Co.; Wm. R. Nicholson, President Land Title and Trust Co.; E. C. Converse, President Liberty National Bank, New York city; Rudulph Ellis, President Fidelity Trust Co.; Clement A. Griscom, President International Navigation Co.; William C. Bullitt, of Castner, Curran & Bullitt, Coal Shippers; W. A. Lathrop, President Webster Coal and Coke Co.

MERCHANTS' NATIONAL BANK.

An increase of more than 500 per cent. in a bank's deposits in less than six years is a good evidence that "something is doing" in that bank—to use a current phrase. While nearly all banks in the country have made great strides forward since 1896, as a result of the business revival, few can show such a remarkable rate of growth as the Merchants' National of Philadelphia. This bank's prosperity, while no doubt primarily the result of a renewal of general activity in trade and manufacturing, is in great part due to the adoption of principles of reciprocity in dealing with local depositors and correspondents. An analysis department is maintained by means of which it is possible to determine just what an account is worth, and thereby to establish a basis for intelligent treatment of various matters as they arise. Similarly, a credit bureau, throughly organized, assures the highest attainable safety in making loans. The bank has so systematized its operations as to be able to act always in the light of its best interests, which are regarded in the long run as identical with the best interests of its dealers as well. Indeed, to establish a mutuality of interests has been one of the cardinal doctrines upon which the bank's success has been achieved. That this idea has met with approval may be inferred from the following comparative statement of deposits on the dates named:

July 14, 1896	$2,733,252
May 13, 1897	3,703,220
May 5, 1898	4,628,858
April 5, 1899	8,417,696
April 26, 1900	12,747,548
April 24, 1901	14,547,717
April 30, 1902	15,310,938
September 15, 1902	15,728,857

It should be stated further that the capital and profits have grown from $791,884 on July 14, 1896, to $1,228,938 on September 15, 1902.

The active management of the bank is largely in the hands of Hartman Baker, the Cashier, and his capacity as a banker is most tellingly illustrated by the unmistakable evidences of the bank's rise to its high position among the banks of Philadelphia.

The Assistant Cashier is Thos. W. Andrew.

President F. W. Ayer has given diligent attention to the bank's welfare, and his business methods, sound judgment and wide experience illustrate the value to a bank of an officer who is also a trained business man. His knowledge of practical affairs has been employed with excellent results.

The management of the Foreign Exchange Department is in the hands of Francesco Ebell.

CORN EXCHANGE NATIONAL BANK.

Dating its incorporation from 1858, this institution ranks among the old and well established banks of the country. In 1864 the bank was reorganized as a National bank. At first the capital was $180,000, but it has been increased to the present amount—$500,000.

An idea of the present volume of business done may be had from the following figures taken from the official reports made to the Comptroller of the Currency on September 15, 1902:

Capital	$500,000
Surplus	650,000
Undivided profits	131,744
Deposits	13,977,757
Total resources	15,725,505

In the past year deposits have increased about $1,500,000 and in the last four years over 100 per cent. It will be seen from the above figures that the policy of the bank is such as to command approval, the surplus and profits having been allowed to accumulate to a point greatly in excess of the capital.

These figures are only an indication of the rules which govern the bank's management—to do everything that human foresight can do to keep the bank strong, to protect both its depositors and shareholders. By keeping this aim steadily in view, a large and desirable class of accounts has been secured.

Our illustrations show that the bank

Benjamin Githens, *President.*

Chas. S. Calwell, *Cashier.*

Corn Exchange National Bank, Philadelphia.

INTERIOR VIEW OF THE CORN EXCHANGE NATIONAL BANK.

has a very handsome exterior and also a fine banking room. The officers are men of long and wide experience, President Githens being also a successful merchant. He has been identified with the bank for many years, and in 1900 was chosen President. Chas. S. Calwell is Cashier and M. N. Willits, Jr., Assistant Cashier.

GIRARD NATIONAL BANK.

Bearing a name among the most distinguished in American mercantile and banking annals, this old and historic institution to-day is larger and stronger than ever before. Its capital is $1,500,000, surplus and profits $1,882,906, and deposits $19,430,000.

No mention of the Girard National Bank would be complete that did not refer to the building which the bank occupies. It is the oldest bank building in the United States. It was built in 1795 for the first Bank of the United States, and in 1815 Stephen Girard purchased it, engaging in banking on his own account until his death in 1831. In 1832 the Girard Bank was chartered as a State institution, and in 1864 was organized as a National bank.

Naturally, a bank with such antecedents has something to be proud of; but the Girard National Bank does not need to appeal to its past history—honorable as it has been—but can point with still greater satisfaction to its present standing as a live and pushing modern bank whose business is growing most satisfactorily.

In 1901 the business of the Independence National Bank was absorbed, and the enlargement of the volume of transactions caused by the amalgamation, as well as the growth from the natural increase of business, made it necessary to improve and enlarge the banking rooms.

GIRARD NATIONAL BANK, PHILADELPHIA.

Allusion has been made to the progress of the bank. This is more strikingly illustrated by the following statement of deposits on the respective dates given below.

	Deposits.
September 20, 1898	\$8,035,688.07
September 7, 1899	8,152,414.40
September 5, 1900	9,975,204.11
September 30, 1901	16,071,504.40
September 16, 1902	19,430,181.95

An increase of almost 100 per cent. in the past two years is certainly a gratifying exhibit, and indicates that the Girard National Bank is getting a full share of the enlarged volume of business consequent upon the present era of industrial and commercial activity.

Officers of the bank are: President, Francis B. Reeves; Vice-President, Richard L. Austin; Second Vice-President, Theo. E. Wiedershiem; Cashier, Joseph Wayne, Jr.

NATIONAL BANK OF COMMERCE.

BALTIMORE.

NATIONAL BANK OF COMMERCE.

Banking in Baltimore has been conducted for many years in a manner that has given the banks of this city a proverbial reputation for solidity and strength.

Among the most progressive and successful of these is the National Bank of Commerce, which was originally chartered as a State bank but was changed to a National association on April 11, 1890. Since that date its deposits have increased from $451,000 to $2,830,000, its surplus from $49,870 to $236,000, and its assets from $800,000 to $3,664,000, while regular semi-annual dividends have been maintained. From a statement published last July on "Five Years' Growth of Baltimore Banks" we learn that the National Bank of Commerce on a percentage basis was first in rank according to growth in earned surplus profits and second in rank according to growth in deposits during the five years.

Eugene Levering, the President, and James R. Edmunds, the Cashier, are men of recognized ability, fully qualified by character and experience to control the affairs of an institution so prominently related to the business affairs of Baltimore.

The other officers are also men of proved trustworthiness. They are:

NATIONAL BANK OF COMMERCE—INTERIOR VIEW.

Assistant Cashier, Edward Price; Second Assistant Cashier, Magruder Powell.

Below will be found a statement of the condition of the bank, condensed from the report made to the Comptroller of the Currency on September 15:

RESOURCES.

Loans and investments	$2,369,579.70
Banking house	174,789.89
Due from banks	373,340.91
Cash and reserve	746,707.95
Total	$3,664,418.45

LIABILITIES.

Capital	$300,000.00
Surplus and profits	236,007.26
Circulation	298,050.00
Deposits	2,830,361.19
Total	$3,664,418.45

We present illustrations herewith showing the handsome exterior of the bank and its attractive banking rooms.

J. WM. MIDDENDORF & CO.

The partners in this well-known firm are J. Wm. Middendorf, A. J. Robins, A. H. Rutherfoord and F. Lentz.

As the head of the firm for many years Mr. J. Wm. Middendorf has acquired thorough experience in conducting a banking and brokerage business, and has established a name in keeping with the general excellent standing of the banks in Baltimore and the South.

The firm has offices in the Continental Trust Building, and is a member of the Baltimore Stock Exchange.

The long and honorable career of this house, and its identification with many financial transactions of large magnitude entitle it to rank among the very successful banking establishments of the South. That it is doing a prosperous business is due to the knowledge which the members of the firm have gained during an active banking life, and an application of sound principles to the management of the bank's affairs.

BOSTON.

ELIOT NATIONAL BANK.

With capital and surplus amounting to $1,850,000, the Eliot National Bank is well equipped to handle business entrusted to it.

Harry L. Burrage, President of this bank, was formerly a member of the executive council of the American Bankers' Association. He entered the Third

HARRY L. BURRAGE, *President.*

National Bank, of Boston, at the age of seventeen and served in various capacities from messenger to Cashier, and was then chosen Vice-President of the Eliot National Bank. On June 2 of the present year he was elected President.

The bank is not only strong as regards capital and surplus, but carries a large line of deposits, averaging about $10,000,000. President Burrage is still a young man, but he is thoroughly experienced in every detail of banking, and has made a record that shows his fitness for managing the affairs of a large and active bank like the Eliot National.

The other officers are: Cashier, William J. Mandell; Assistant Cashiers, William F. Edlefson and Charles F. Allen. They are men who are well qualified in every respect for the discharge of the important duties devolving upon them, and have been instrumental in placing the bank in its favorable position among the financial institutions of Boston.

OLD COLONY TRUST COMPANY.

Trust companies in Massachusetts, besides exercising the usual trust company functions, also transact a general banking business resembling that carried on by State banks in other States. These institutions are under State supervision and their organization and management are wisely controlled by law.

The Old Colony Trust Company is one of the largest and strongest financial corporations in New England. Its capital is $1,000,000, surplus $3,000,000, and deposits about $30,000,000. The officers are: President, Gordon Abbott; Vice-Presidents, C. S. Tuckerman (also Assistant Treasurer); George P. Gardner, Francis R. Hart, James A. Parker; Secretary and Assistant Treasurer, E. A. Phippen; Assistant Treasurer, F. G. Pousland; Assistant Secretaries, Joseph G. Stearns, E. Elmer Foye; Trust Officer, Julius R. Wakefield.

The board of directors include the names of some of the best known capitalists of Boston, Mr. T. Jefferson Coolidge, Jr., being chairman of the board.

NEW BUILDING BEING ERECTED BY THE FIRST NATIONAL BANK OF CHICAGO.

CHICAGO.

FIRST NATIONAL BANK.

Standing with the two or three largest banks in the country, this institution hardly needs any introduction to the bankers of the United States. It is interesting to note, however, that it is still a growing bank. Evidences of this are to be found not alone from the steady gains in its balance-sheet, but from the fact that two other large banks—the Union National and the Metropolitan National—were recently absorbed, and that the First National Bank is preparing to have built one of the largest and finest bank and office buildings in the country.

The original corporation of which the present bank is the successor was organized in 1863, and the second organization was made in 1882. Two names always come to mind as being those of men long and prominently associated with this

bank—Samuel M. Nickerson and Lyman J. Gage. Not only was the latter long and prominently connected with this bank, but as Secretary of the Treasury he made a record as one of the nation's great finance ministers.

The First National Bank is managed to-day by men of conspicuous ability, as in the past. In 1892 James B. Forgan was elected a director and second Vice-President. Mr. Forgan's early banking

JAMES B. FORGAN, *President.*

experience was obtained in Scotland and Canada—where banking has been reduced almost to a science—and he had later become Cashier of the Northwestern National Bank, of Minneapolis. He was elected President of the First National Bank on January 9, 1900.

An idea of the magnitude of the transactions of the bank during a single year (1901) may be gained from the fact that the number of items handled each day was 64,402; the total volume of business aggregated $8,199,570,400; the out of town items collected daily averaged 11,030; the clearings during the entire year were $1,550,470,975, equivalent to $5,000,000 per day. The total annual clearings of all the Chicago banks were $6,799,535,598, showing that the share of the First National Bank therein was more than one-fifth, the exact percentage being 22.8.

Here are a few figures that tell how the bank's business has been growing.

	June 29, 1901.	*May 31, 1902.*
Capital and surplus..	$5,000,000	$14,000,000
Loans................	28,710,000	60,000,000
Deposits.............	50,046,000	95,000,000

Great as have been the accomplishments of the past, there is e[illegible] reason to believe that the future has [illegible] an equal or even greater measure of success for the First National Bank of Chicago.

N. W. HARRIS & COMPANY.

This firm, established in 1882 by Norman W. Harris, is one of the most successful firms of bankers giving particular attention to the purchase and sale of securities adapted to the investment of trust funds. The senior partner was for thirteen years prior to the organization of the firm the principal executive officer of one of the leading life insurance companies in the country, and was largely responsible for its investments. His entire business career, therefore, has been devoted almost exclusively to investments of a substantial nature. The other members of the firm—Messrs. Albert G. Farr, Elmer E. Black, Albert W. Harris, John W. Edminson, Isaac Sprague, Allen B. Forbes, Percy W. Brooks—are men of wide experience in the business, and have been actively connected with the house for from ten to seventeen years.

While the business of N. W. Harris & Company is well known as an investment business, their banking department is a very important one. It receives deposits subject to check and pays interest on balances; receives special deposits of banks, bankers and investors, for which interest-bearing certificates are issued; deals actively in foreign exchange, and issues foreign and domestic letters of credit. Its deposits will average something over $2,500,000. Loans are also made on approved collateral. The banking department is therefore fully

ALBERT W. HARRIS.

ELMER E. BLACK.

NORMAN W. HARRIS.

JOHN W. EDMINSON.

GEORGE P. HOOVER, *Cashier.*

N. W. HARRIS & CO., CHICAGO.

equipped for a general banking business and for the prompt handling of business intrusted to it. This department, at the Chicago house, is in charge of the Cashier, George P. Hoover, who was for some years prior to his connection with the house, Assistant Cashier of the First National Bank of Galesburg, Ill.

Realizing the necessity of safeguarding the investments of their clients in every way, N. W. Harris & Company employ the ablest bond experts in their buying department and use the utmost care in the selection of all securities, placing the security of principal always in the foreground. While the very name of municipal bonds implies security, full investigations of the ability of the municipality to pay, as well as the legal features of a loan, are always made, the latter being attended to by the most eminent counsel obtainable.

Another form of security dealt in very largely by this house and whose value is being appreciated more and more by the conservative investor is the first mortgage issues on public service corporations, such as street railway, gas, electric light and water companies. Loans of this character are purchased only after a most thorough personal investigation, and then subject to the approval of a corps of eminent experts, including engineers, accountants and attorneys.

This careful policy has won the confidence of the investing public to such an extent that the bond transactions of the house now amount to over $60,000,000 annually, and have made the name of N. W. Harris & Company a synonym for conservatism. In these days when securities of every character are being thrown onto the market indiscriminately, it is especially important to the careful investor that this sifting process should be brought to bear upon all investments. It is services of this kind that are rendered by the bond department of this house.

N. W. Harris & Company will be represented at the bankers' convention in New Orleans by Mr. Black or Mr. Edminson, and Mr. Hoover.

NATIONAL LIVE STOCK BANK.

The National Live Stock Bank of Chicago commenced business on March 1, 1888, as successor to the Union Stock Yard National Bank.

Starting with a capital of $600,000, subsequently raised to $1,000,000, it has steadily kept pace with the enlargement and growing needs of the live stock trade and correlated industries.

Doing a general banking business, for which it has facilities equal to any bank

S. R. Flynn, *President.*

in Chicago, the nucleus for its large financial transactions, involving from $5,000,000 to $8,000,000 daily, is furnished by the live stock, shipping, dressed meat and packing interests centering at the Union Stock Yards.

The valuation of live stock received since the formation of the Union Stock Yard and Transit Company in 1865 (a period of thirty-six years), approximates fifty-eight hundred million dollars, of which amount thirty-three hundred and fifty million dollars can be credited to the past fourteen and one-half years, dating from the organization of this bank.

The receipts of live stock for the year 1901 aggregated 15,657,162 head, repre-

senting a valuation of $284,000,000, an increase of 1,034,847 animals and $21,800,000 over the previous year. The valuation of the "raw material" for the present year will largely exceed $300,000,000.

The steady and substantial growth of the trade, as indicated above, requiring the employment of 40,000 people in all departments for the proper handling of the largest single industry in the world concentrated at one point, is reflected in the satisfactory growth and financial status of the National Live Stock Bank,

ROSWELL Z. HERRICK, *Vice-President.*

universally recognized as a potent factor in facilitating its operations.

Occupying the position of a fiscal clearing-house for an industry that represents a larger volume of business in the aggregate than that of the entire lumber, coal, grain and dry goods trade of Chicago, and under the guidance of officials possessing large banking experience, quick to anticipate requirements, and ready at all times to extend every accommodation to its patrons consistent with conservative banking methods, with $1,300,000 as surplus and profits (an amount exceeded by only five banks having $1,000,000 capital, as listed in the twelfth annual "Roll of Honor" of the National Banks of the United States) supplementing its capital as an evidence of strength, the clientage of the National Live Stock

GATES A. RYTHER, *Cashier.*

Bank have assurances of continued enlargement in strength and usefulness in its constantly expanding field.

The officers of the National Live Stock Bank are: S. R. Flynn, President; Roswell Z. Herrick, Vice-President; Gates A. Ryther, Cashier.

CONTINENTAL NATIONAL BANK.

One of the largest banks of Chicago, as well as one among the strongest, is the Continental National. It has $3,000,000 capital, $750,000 surplus, and $301,719 undivided profits. On July 16 last the deposits were $42,276,445, representing a gain of over $6,000,000 since July 15, 1901. Total resources of the bank are $46,378,165. Loans and discounts amount to $24,598,089, and the items cash and due from banks aggregate $21,678,864.

These figures show the large business the bank is doing and the strength of its position.

John C. Black has been President of

the bank for many years and prominently identified with its success.

Geo. M. Reynolds, one of the Vice-Presidents, has been connected with the bank since December, 1897, having been up to that time President of the Des Moines (Iowa) National Bank. He entered the Continental National Bank as Cashier, but recently was promoted to the office of Vice-President. Mr. Reynolds was formerly a member of the executive council of the American Bankers' Association, and is now treasurer of that organization.

N. E. Barker, Vice-President, was elected to that position July 7, 1902. He came to this office from the presidency of the First National Bank, Birmingham, Ala., an institution which his management aided in placing among the strongest banks of the South. Mr. Barker came originally from New England, having gone from New Haven to the South about thirteen years ago.

The other efficient officers of the bank are: Ira P. Bowen and Benjamin S. Mayer, Assistant Cashiers; William W. Hill, Secretary.

COMMERCIAL NATIONAL BANK.

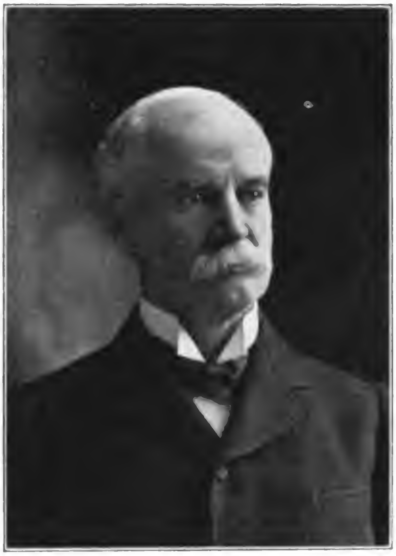
Attention is called to the advertisement of the Commercial National Bank of Chicago, which appears elsewhere in this issue. The bank is one of the old and well-established institutions of Chicago, having been chartered as a National bank in 1864. It ranks high among the prominent and successful banks of the country, and has always been recognized as a sound and well-managed institution.

Since Hon. James H. Eckels assumed its Presidency in 1897 the bank has enjoyed phenomenal growth and prosperity. Its deposits, according to the tabulated statements published by the bank, have increased in five years from less than ten million dollars to more than thirty million. Such a showing is extraordinary in view of the fact that no part of the increase has been acquired through the absorption of other banks. During the same period the capital of the bank has been doubled, both the book and market value of its shares greatly enhanced, and the dividend rate increased from ten to twelve per cent. per annum.

It will be noted in the advertisement mentioned that the gentlemen composing its directorate are well known and prominent in the business affairs of Chicago.

BANKERS NATIONAL BANK.

When the late David B. Dewey, the well-known Chicago financier, became interested in the organization of the Bankers National Bank of Chicago, his



EDWARD S. LACEY, *President.*

first thought in connection with the Presidency was of his old friend, Hon. Edward S. Lacey, then Comptroller of the Currency under Harrison's Administration. The bank was originally intended to be what the name signifies—distinctly a "bankers" National bank—the stock to be distributed among the banking fraternity, and special attention given to the accounts of banks, and Mr. Dewey and his associates, recognizing the fact that it required a man at its head who was thoroughly familiar with all the needs of out-of-town institutions, naturally turned to Mr. Lacey, who

they believed possessed those qualifications so necessary to fully understand the proper requirements of correspondents, by reason of his long experience as a country banker supplemented by the broader views acquired as Comptroller. The satisfactory growth and prosperous condition of the bank best evidence whether or not their choice was wisely made.

Organized in the fall of 1892 with a capital of $1,000,000, the bank has grown rapidly until its deposits have nearly reached the fifteen million mark, with loans of nearly ten millions. While its list of stockholders contains the names of many well-known bankers throughout the country who keep in close touch with its affairs, yet a majority of its shares is held by prominent financiers and merchants in New York and Chicago —consequently its city and country business has been symetrically developed.

Owing to the exceptional growth of its business the directors and stockholders recently decided to double the capital, which with surplus now aggregates $2,850,000. In accomplishing this, the stockholders were asked to relinquish ten per cent. of their rights to subscribe to the new issue, the object being to place these released shares with local merchants and manufacturers whose business and influence were considered valuable. This it is believed will be a potent factor in forming many new and valuable connections, and in making its growth still more rapid.

The bank was originally located in the Masonic Temple, but its business soon outgrew its quarters and in casting about for another and more commodious home, the new Marquette Building, located at the northwest corner of Dearborn and Adam streets opposite the new post office building, was chosen on account of its central location and easy accessibility to the wholesale and retail districts.

Mr. Lacey lived for many years at Charlotte, Michigan, where he entered upon his career as a banker in 1862. He also served for four years as a member of Congress; but it was through his wise administration as Comptroller of the Currency that he became best known to financiers throughout the country.

The Cashier, Mr. J. C. Craft, was raised at Rochelle, Ills., where he passed from a clerical position to that of Cashier of the Rochelle National Bank, afterward becoming Acting Assistant Treasurer of the United States at Chicago, upon the relinquishment of which position he became identified with the Bankers National Bank. He is thoroughly familiar with every detail of the business and is an able assistant to Mr. Lacey.

Mr. Frank P. Judson, Assistant Cashier, is particularly well known to the bankers of his State by reason of the marked success he has achieved as secretary of the Bankers' Association of Illinois. Mr. Judson was a teller in the old American Exchange National Bank, but became connected with the Bankers National at the time of its organization.

Two years ago the Bankers National absorbed the Lincoln National, which added materially to its line of deposits. As a matter of fact it is one of the few Chicago banks whose statement of September 15th exhibits an increase in deposits as compared with that of last July.

The institution appears to be making rapid additions to the large list of country correspondents which it already represents, and judging from this fact as well as from the proportionate recent increase in its city deposits, the prediction is made that the bank has a great future, and that while its growth has been gratifying in the past, it will be in the future greatly accelerated.

DROVERS' NATIONAL BANK.

Located at the Union Stock Yards, Chicago, the Drovers' National is exceptionally well situated for handling business arising out of the great live stock traffic centering here. This industry is of the largest importance, and offers fine opportunities for the exercise of banking talent of the highest order; it also calls for an exceptionally strong equipment at all points. In all these matters the

Drovers' National is well furnished, and it has done, and is doing now, a full share of the business relating to the live-stock interests. But it is in no sense limited to this field only, but covers fully and well all the ramifications of a modern commercial bank. Accounts of banks and bankers, merchants, corporations and individuals are carried, and superior facilities are offered in the transaction of business. The Drovers' National Bank also acts as a reserve agent for National banks, and is thoroughly equipped for rendering satisfactory service to out-of-town banks.

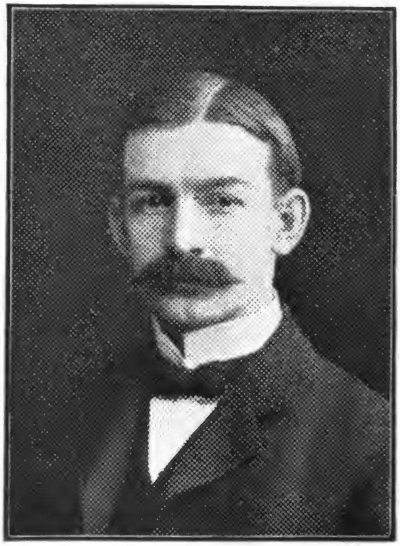
Wm. H. Brintnall, President of the Drovers' National, was one of the organizers of the bank, his father having also been an incorporator and the first President. Thus the management has been practically unbroken since the establishment of the bank in 1883.

The other officers are : Vice-President, John Brown ; Cashier, Wm. A. Tilden. Besides the officers, who are all directors, the following are members of the board : Jas. P. Sherlock, M. F. Rittenhouse, Edward Tilden, and Charles L. Shuttuck.

The capital of the bank is $250,000, surplus and profits $300,000, and deposits $5,000,000. In all respects the Drovers' National conforms to the soundest principles of banking practice.

CENTRAL TRUST COMPANY OF ILLINOIS.

Although this is a new institution, having commenced business in July of the present year, it may be already classed with the large and successful banks of Chicago. Evidently the plans for the organization of the company had been carefully made, and when it opened for business it was seen that very important interests were associated with the company. Its inauguration was under the most auspicious circumstances, and the confidence thus obtained at the start has been strengthened month by month. The capital of the bank—$4,000,000—is of itself a strong magnet to attract trust in the stability of the company, and the surplus of $1,000,000 offers an additional safeguard. In launching the company with a large capital, it was the aim to be fully equipped for the large undertakings with which a company of this character finds it imperative to deal, and at the same time to provide a surplus which, from the time of organization, would assure safety.



CHARLES G. DAWES, *President.*

At the head of the company is Hon. Charles G. Dawes. He was appointed Comptroller of the Currency by President McKinley, and after a successful administration of the office for several years, he resigned to give his attention to business affairs. Mr. Dawes has frequently addressed meetings of bankers in various States, taking strong ground against radical changes in the banking and currency system. He has favored such changes as may seem to be absolutely necessary to make the currency more responsive to the demands of active business seasons, but he has opposed everything that might tend to destroy those features of our banking and currency system that have been shown to be safe and sound. In short, he is not

opposed to well-considered reforms, but favors moving cautiously in a matter of so much importance. It is certain that his views on these matters have been approved by the majority of bankers in a number of the States. Mr. Dawes is only thirty-seven years of age, but has had very wide business experience. The ability he displayed in the Comptroller's office made it apparent that he was well fitted to be the chief executive of a large financial corporation. He was fortunate, in founding the company, to enlist the active co operation of some of the well-known capitalists of Chicago.

The company is empowered to do a general banking, savings and trust company business, and its large capital and surplus and the *personnel* of its management guarantee efficiency, safety and despatch in all transactions. A complete list of the officers and directors follows:

Charles G. Dawes, President; W. Irving Osborne, Vice-President; A. Uhrlaub, Vice-President; Lawrence O. Murray, Secretary and Trust Officer; William R. Dawes, Cashier; Charles T. Wegner, Assistant Cashier; Malcolm McDowell, Assistant Secretary; Max Pam, General Counsel.

Directors: A. J. Earling, Max Pam, Charles T. Boynton, Charles Deering, P. A. Valentine, Frank O. Lowden, Harry Rubens, Graeme Stewart, Thos. R. Lyon, Alexander H. Revell, Charles G. Dawes.

THE EQUITABLE TRUST COMPANY.

The most important consideration in a matter involving the management and distribution of an estate is the selection of a suitable executor or trustee.

A quarter of a century ago the choice fell upon an individual in whose judgment and uprightness confidence was reposed. To-day the trust company is the generally recognized and logical successor to the individual trustee in the management of estates and funds not invested in active enterprises. This change, which represents one of the most notable developments in business methods of the last century, rests upon good reasons.

It is not often that the individual who is best fitted to act as an executor or trustee will undertake the trust. Men who by reason of their standing and ability would be acceptable in such a capacity, generally decline the office. Their personal business engrosses their time and attention; and the compensation which would be satisfactory to a trust company offers no adequate return to private individuals for the labor and responsibility which would devolve upon them and the necessity of furnishing security, to say nothing of the interruption and possible neglect of their personal business affairs. Where an individual is chosen as trustee or executor, and is unwilling to act as such, or, where having accepted the office, he is removed by death—as is frequently the case—or where the office is declared vacant by reason of his incompetence or dishonesty, resort must be had to the courts for the appointment of a successor. This always involves expense, trouble and delay, and the conflicting views and interests of the beneficiaries in reference to the appointment frequently lead to bitter quarrels and protracted litigation, with the consequent diminution of the trust funds.

The informal and inaccurate methods in which individuals often keep their accounts are likely to result in the confusion of personal interests with trust interests; and the liability of loss of important papers lends instability to the trust. The matter of the individual trustee's bond, which must be given for the faithful execution of a trust, adds further possibility of uncertainty and loss. Such bond may have been filed with and accepted by the court, but no supervision is assumed by the appointing power over the dealings of either principal or surety, and it is often discovered, too late, that the makers have either died or become irresponsible.

The advantages of a corporation like The Equitable Trust Company over an individual as a trustee are many and important. The corporation has practically

a perpetual existence, and can manage any trust, however long its term. It has a fixed place of business, where it can at all times be found, and where books and important papers can be safely kept and examined at will. Its books of account are kept by competent accountants under approved systems and constitute a perfect record of every transaction, and are always preserved. Its capital is liable for the faithful execution of every trust. This responsibility, involving as it does the personal interests of its stockholders, insures watchfulness and absolute fidelity in all matters which the corporation has in charge; and the advice and control of directors, selected with reference to their experience and knowledge of such matters, greatly diminish the possibilities of errors in judgment.

Under the law, all the investments and transactions of trust companies in the State of Illinois are under the supervision and scrutiny of the Auditor of Public Accounts, who is authorized by the State to make examinations at any time, and without warning.

In the selection of a corporation as trustee a prudent person would naturally ascertain whether, under the law, it has ample powers and is under proper restrictions; whether its charter and by-laws compel it to place its funds in the safest investments known to the courts and the business community; whether it avoids the dangers of common banking and the loaning of money on the personal credit of borrowers; whether it is restricted from speculations of every nature, and confined strictly to a fiduciary business; whether its officers and directors are capable and honest; whether its business is transacted under the direction of safe legal counsel.

The officers and directors of The Equitable Trust Company believe that it meets all these requirements and that it supplies a public necessity. The law under which it is organized is most liberal, and gives it, as trustee, power to hold, lease, improve, buy, sell and convey both real and personal property of every kind. Its regulations for the careful home investment of its own funds, and of its trust funds, guarantee its patrons against any loss which is avoidable by human foresight, and afford a financial agency in whose care every trust will be safely and prudently administered. It is prepared to transact fiduciary business, whether the transactions be large or small; for the wealthy or for those of moderate means; for widows and orphans, or for large corporations, excluding all business not incidental to its objects. It has complied with the law by depositing with the Auditor of Illinois $200,000 in approved securities, which amount, in connection with the capital and surplus of the company, is an additional guaranty that the trusts given in its charge will be administered faithfully.

The business of this company is confined *exclusively* to the administration of trusts; and it is probably the only trust company in the country which does not, in connection with the trust business, do either a title or banking business. Charters, similar in purpose, have been granted other corporations, but all such corporations, it is believed, have devoted their efforts to ordinary banking business, or dealing in real estate securities bearing their guaranty, to the neglect of the execution of trusts.

The company accepts and executes trusts of every description, under appointment by will, assignment, deed or otherwise. Executors, administrators, trustees, guardians and other fiduciaries, whose bonds, as required by law, are burdensome, can have such bonds reduced by depositing with this company the personal assets in their hands. The company invites interviews with persons contemplating the creation of trusts, in order that it may explain its advantages and terms, and that it may indicate the best manner of accomplishing the objects intended. The commissions charged are moderate and may be made the subject of agreement. Each trust fund is kept entirely distinct from and independent of all others, and separate from the assets of the company.

The company is prepared to make for its clients investments in real estate in and about Chicago, or in bonds, mortgages, stocks or other securities. It has for sale, at all times, choice mortgages on improved Chicago property and bonds of local and other corporations. Loans are made only after careful investigation of the titles, the values of the securities and the responsibility of the borrowers.

The company makes loans on improved real estate in the city of Chicago or on cash collaterals. It purchases ground rents, makes advances on ground rents and other fixed incomes. No loans are made on personal securities. The company receives trust funds, repayable on demand subject to check. It also receives trust funds for which it issues its certificates of deposit, repayable on notice or at a fixed date. It also receives, on permanent deposit, for investment or reinvestment, such funds, securities or property as may be entrusted to it, agreeing to pay to such person or persons as may be indicated such annual, or more frequent sums, in the nature of annuities, as may be agreed upon with the person making the deposit. In this way a sure and fixed income may be secured for minors until the attainment of their majority, or for married women, or aged and infirm persons during their lifetime, while the principal, after the termination of the trust, can be disposed of as desired by the person who created the trust.

That The Equitable Trust Company is fitted to satisfactorily discharge the functions conferred upon it by law is witnessed by the record made, and is further assured by the company's capital of $500,000, surplus of $250,000, and the management, composed of the following well-known officers and directors:

Officers: J. R. Walsh, President; L. A. Walton, Vice-President; C. D. Organ, Secretary and Treasurer; C. Huntoon, Assistant Secretary and Assistant Treasurer.

Directors: William Best, Andrew McNally, Maurice Rosenfeld, John M. Smyth, J. R. Walsh, L. A. Walton.

MERCHANTS' LOAN AND TRUST COMPANY.

In a time when many new banks are being organized throughout the country, it seems opportune to call attention to one that is the oldest in its city and State—the Merchants' Loan and Trust Company of Chicago. Established in 1857, its career has been one of steady progress.

The history of the bank is closely woven with that of the financial development of Chicago. Always standing

ORSON SMITH, *President.*

for the maintenance of the highest principles of banking, it has won its success along these lines. From its inception the policy of the bank has been framed with constant regard for the safety of the trusts reposed by customers.

As a matter of history it may be of interest to quote from an early advertisement, published in 1857, in which the bank announced that it "is prepared to buy and sell exchange on all the principal cities of the United States and to discount satisfactory business paper of short date." The advertisement added that the "executive committee will meet daily at ten o'clock, A. M., and persons

MERCHANTS' LOAN AND TRUST BUILDING.
Northwest Corner Adams and Clark Streets, Chicago.

applying for discounts will receive answers at one o'clock, P. M."

"We receive money for accumulation," the bank advertised further, "allowing compound interest at seven per cent. per annum when the amount is deposited for a term of years."

Through the years that have followed, the bank has opened new departments from time to time, until to-day it has the thorough equipment of a modern trust company and bank, besides its valuable asset of good-will, won by the careful conduct of nearly half a century.

The Merchants' Loan and Trust Company is primarily a bank for the transaction of a general business, and in this capacity it handles the accounts of banks and bankers, corporations, merchants and individuals. The President of the bank, Orson Smith, is looked up to with faith as a banker to be relied on, not only in eras of "good times," but also when panics take place. He is a member of the Chicago Clearing-House Committee, which directs the policy of the banks on those occasions.

E. D. Hulbert, the Vice-President, who shares with Mr. Smith the responsibilities attending the management, has advanced by the path of personal effort and ability. He receives high praise as a banker and his views on economic subjects, of which he is a close and thoughtful student, are sought.

John G. Orchard, Cashier, is one of several Chicago bankers who had their initial training in Scotland and Canada, and afterwards brought the benefit of their experience to this city. Of the Assistant Cashiers, F. N. Wilder, the oldest to hold that title, has demonstrated his worth in a career of twenty-seven years in the bank.

F. G. Nelson, Assistant Cashier, has proved the value and developing power of his services. Before he was given recognition by election to this office in July, 1900, he had shown ability that marked him for promotion.

The various departments, in charge of men fitted by ability and training to serve patrons and further the best interests of the bank, are important adjuncts to the business.

P. C. Peterson, Manager of the Foreign Exchange Department, also holds the title of Assistant Cashier, given him on account of his valuable work in upbuilding that department. His knowledge of the intricacies of the foreign exchange market is thorough.

Leon L. Loehr, Secretary of the Trust Department, has made a favorable record in the two years he has had this position. The department was created in 1900, and its growth has been gratifying.

John E. Blunt, Jr., Manager of the Bond Department, was well known as a successful bond man before he entered the bank. His work in establishing this department and interesting investors in

E. D. HULBERT, *Vice-President.*

the carefully-selected securities the bank handles has been effective from the start.

One of the comparatively new departments is that devoted to savings. The strong position of the bank assures a future of importance for this department.

The bank also has a safety deposit vault, which is the strongest in construction in Chicago. It is in charge of Alfred L. Goldsmith, Manager.

No extended mention of the bank in this way would be complete without a reference to the men who form the board of directors. It has been called the "strongest board in Chicago." The directors are: Marshall Field, Albert Keep, A. H. Burley, Elias T. Watkins, Enos M. Barton, E. D. Hulbert, Cyrus H. McCormick, Lambert Tree, Erskine M. Phelps, Moses J. Wentworth, E. H. Gary, Orson Smith.

MASON, LEWIS & COMPANY.

As investment bankers Messrs. Mason, Lewis & Co. enjoy a well-earned reputation. Being largely engaged in handling securities, they have acquired experience that enables them to serve customers in the most acceptable manner, and their business is established on a broad and stable basis.

The demand for expert information regarding the value of securities is growing, and it is the aim of Messrs. Mason, Lewis & Co. to supply facts that may be relied on. They handle a large line of high-grade securities and are ready at all times to supply the wants of cautious investors.

PITTSBURGH.

SAFE DEPOSIT AND TRUST COMPANY.

The Safe Deposit and Trust Company of Pittsburgh, the oldest trust company in Western Pennsylvania, was organized in 1867, under a special act of the Legislature of the State of Pennsylvania, and has a perpetual charter and ample capital.

It occupies for its business home an absolutely fire-proof six-story building, with cut-stone front. The floors, formed of steel beams, are arched with fire-proof tiles; all partitions are of fire-proof tile or brick. In the construction of the building, wood is used only in door and window frames and floor coverings.

The business of the company has increased to such an extent that it now occupies, in addition to the first floor of its own building, the entire first floor of the splendid new Arrott Building on the corner of Wood street and Fourth avenue, where are located the general offices of the company and the rent and mortgage department. The various departments of the company's business are thus compactly and conveniently connected, with a view to the convenience of the patrons and facility in the execution of the diversified transactions of the company.

The Safe Deposit and Trust Company of Pittsburgh is authorized to act as administrator, executor, guardian, trustee or assignee; to receive from corporations, firms or individuals moneys to be held in trust, or to be invested as directed; to act as agent in the management, improvement, rental or sale of real estate, and as registrar of stocks and bonds. It engages in no banking business, and is entirely free from all speculative features.

The trust department, a special feature of the business, is under the charge of those familiar with the laws governing trusts. All trust funds and investments are maintained separate and apart from the other departments of the business.

In acting as administrator, executor, guardian, trustee, assignee or receiver, the acts of the company are governed by the laws of the State of Pennsylvania regulating trust companies. The advantages offered by a corporation as against individuals are manifold.

The insurance of its continued corporate existence avoids the dangers which might be wrought by death, illness or the unavoidable absence of an individual endeavoring to act in an administrative capacity.

Many personal influences may be brought to bear upon an individual. Friendly intercourse may bias judgment, and there is always the possibility of inefficiency and even dishonesty.

Certain lines of investment may be recommended which, while personally considered to be high class, may in reality be of a character which would not stand the investigation to which they would be subjected by an institution whose special business it is to investigate just such propositions.

All danger is thus avoided if a trust company be appointed. No favoritism is shown and no proposition entertained which is not found to be financially sound. The continued success of its business demands that it be conservative almost to a fault.

There is the added security of assured ample capital and the conduct of affairs by men of experience, whose acts are not only directed but safeguarded by the strong arm of the law, all of which provides the means of faithful execution.

The vault in which are contained the safe deposit boxes is safeguarded by the most modern methods. It stands separate and alone in the center of the ground floor and the passage around it is patrolled day and night. The boxes and locks are of most modern construction; the entire vault—walls, ceiling and floor—is lined with a patented electric shield, so arranged that when the vault is closed the slightest attempt at entrance from any point, no matter where, immediately

forms contact and alarms the Holmes Protective Association, which maintains police duty at all hours. Even the opening and closing of the vault by the officers of the company at the usual hours is made known to them. A daily report of this transaction is submitted weekly to the institution.

In the safe deposit department are separate parlors and coupon closets for the undisturbed and private examination by depositors of the contents of their boxes. The use of any or all of the facilities of the institution is extended to depositors, together with every convenience and comfort.

A large room has been set apart for the meetings of auditing committees or families who desire to meet and discuss their relations with the company.

Ample provision is made for the safe storage of silverware and other valuables and packages of bulk. The rate for storage of packages in bulk is determined by the amount of space occupied. The boxes within the vault rent from $5 per annum upward.

In a word, the Safe Deposit and Trust Company endeavors, by strict attention to business, to act in the interests of its clients in any capacity permitted by its charter.

GERMAN NATIONAL BANK.

Banks and bankers desiring to form affiliations with a city bank having good facilities for handling their accounts will find it to their advantage to communicate with the German National Bank of Pittsburgh, which is making a specialty of receiving such accounts on favorable terms. The bank is able to satisfactorily place loans for correspondents having surplus funds.

With $250,000 capital and $202,000 surplus and profits and a very strong management, the standing of the bank is such as to inspire the fullest confidence.

The officers are: President, E. H. Myers; Vice-President, Leopold Vilsack; Cashier, W. W. Ramsey.

BIRMINGHAM, ALA.

BIRMINGHAM TRUST AND SAVINGS CO.

Since its organization, December 9, 1887, the career of the Birmingham Trust and Savings Company has been one of uninterrupted growth in all of its departments. The company opened for business January 10, 1888, its capital of $500,000 being all paid in.

The late Henry M. Caldwell was the prime mover in its formation, and on its organization was elected President. Two years later, Mr. P. H. Earle succeeded to the presidency. These two able financiers, by the integrity and indomitable energy, laid the foundation for the public confidence which the bank has always enjoyed. In the panic of 1893, although many of the banks in the South and elsewhere suspended payment, this institution paid cash over its counters for all demands, neither resorting to the use of clearing-house certificates nor taking advantage of the time clause in reference to its savings deposits. During this period Paul H. Earle was at the head of the bank, and subsequently, under his wise management, the deposits increased from $300,000 to over $1,500,000. The Birmingham Trust and Savings Company also enjoys the distinction of never having failed to pay its semi-annual dividend since its organization.

On the death of Mr. Earle, in November, 1900, the presidency was assumed by Mr. Arthur W. Smith, who had been for years Vice-President of this institution. He is in full sympathy with the policy of his predecessors, and has continued to

BIRMINGHAM TRUST AND SAVINGS COMPANY.

carry it out with such amplification as the spirit of the times and a resourceful individuality have suggested.

The business of the bank was never in a more flourishing condition than it is at the present time and its collection department ranks with the first institutions of the South. An able, conservative and progressive management, supported by a directorate the strength of which is equalled by few Southern institutions, has placed the Birmingham Trust and Savings Company among the secure and conservative banks of the country.

Its directors are: Arthur W. Smith, President; James Bowron, Vice-President Dimmick Pipe Co.; J. M. Caldwell, of Caldwell & Ward, Bankers and Brokers; S. L. Earle, of Earle, Terrell & Co., Merchants; W. H. Kettig, President Milner & Kettig Co.; Alex. T. London, Attorney-at-Law; W. T. Northington, President Continental Gin Co.; James Spence, Vice-President Birmingham Machine and Foundry Co.; R. A. Terrell, of Earle, Terrell & Co., Merchants; R. S. Munger, director Continental Gin Co.; James T. Woodward, President Hanover National Bank, New York.

The officers are: Arthur W. Smith, President; Tom O. Smith, Cashier; W. H. Manly, Secretary and Assistant Cashier.

A new building has been recently erected for the company's exclusive use.

In point of construction and elegance of appointment, this structure is not surpassed, and conveys the assurance of strength and solidity. It is in thorough keeping with the character of the institution it shelters.

The illustrations presented herewith give a general impression of the bank's exterior and interior. With its splendid columns and majestic facade, all in white marble, and its massive square doorway, this newest and most complete banking building in the States of the South suggests some temple of classic Greece. Yet it suggests above all things that strength and durability associated with the power of the greatest and strongest of thoroughly modern financial institutions. The conviction is at once formed that

Birmingham Trust and Savings Company.

there is great strength in an institution so richly and impregnably housed.

The heavy and beautifully wrought bronze doors open into a spacious lobby with floor and wainscoting of polished Tennessee marble. There is no attempt at mere decorative display; the simple marble effects are too stately for that, and the polished marble columns supporting the spacious balcony above the lobby are severely plain. Leading up to the balcony on the right is a superb marble stairway with bronze grille railing, and an identical railing encloses the balcony space above. At the opposite end of the splendid chamber there is similar architectural ornamentation.

At the left of the lobby is the office of the President, done in mahogany and frosted glass.

The general banking room is a chamber of wonderful beauty and richness, probably unsurpassed in this country. It is lighted from a lofty roof and through numerous spacious windows. Behind polished marble counters surmounted with bronze grille railings are the workers of the bank, and behind them, so to speak, is the great vault, which is connected by stairways with the rear balcony and likewise with the basement. Still further back is the directors' room, and adjacent are other rooms used in the work of the bank. In each balcony are two rooms, done in mahogany, for the convenience of the bank's customers.

FIRST NATIONAL BANK, BIRMINGHAM, ALA.

The growth of this bank in recent years has been remarkable, as the following statement of deposits on the dates given will show:

December 15, 1896	$850,166
December 15, 1897	1,178,958
December 1, 1898	1,422,418
December 2, 1899	2,377,853
December 13, 1900	2,691,755
December 10, 1901	3,457,547
July 16, 1902	3,755,471
September 15, 1902	3,832,029

These figures tell the story of the bank's growth better than any words could do. The First National Bank of Birmingham is, in fact, one of the very large banks of the South. But the bank is not merely big. It is strong as well, having $300,000 capital (and an additional security in the form of shareholders' liability of $300,000), and surplus and profits amounting to $320,000.

On September 9 the stockholders authorized an increase in the capital of $50,000, which became effective on October 2, on which date the capital stock appeared as $300,000. The new stock was heavily over-subscribed and was all sold at $250 per share, as a result of which the excess amount, $75,000, was carried to the surplus fund, making the surplus and undivided profits on November 1, $320,000.

The officers of the First National Bank are: President, W. P. G. Harding; Vice-Presidents, J. H. Woodward and J. H. Barr; Cashier, W. W. Crawford; Assistant Cashier, A. R. Forsyth.

Directors: T. T. Hillman, President Pratt Coal Co.; N. E. Barker, Vice-President Continental National Bank, Chicago, Ill.; E. M. Tutwiler, President Tutwiler Coal, Coke and Iron Co.; B. F. Moore, Secretary and Treasurer, Moore & Handley Hardware Co.; F. D. Nabers, wholesale drugs; Robert Jemison, President Birmingham Railway, Light and Power Co.; Erksine Ramsay, of Ramsay & McCormack, bankers; F. M. Jackson, President Blocton-Cahaba Coal Co.; T. H. Molton, real estate and insurance; Wm. A. Walker, attorney-at-law; W. S. Brown, merchant; W. H. Hassinger, Vice-President Republic Iron and Steel Co.; Walker Percy, attorney-at law; W. P. G. Harding, President; J. H. Barr, Vice-President.

The board of directors is recognized by the business community as exceptionally able. It represents the energy, integrity and wealth of Birmingham. With such a board any bank would prosper and take the highest rank.

MILWAUKEE.

FIRST NATIONAL BANK.

As the oldest National bank in Wisconsin, and the sixty-fourth organized under the National system, this bank is certainly time-tried; and not only has its strength been fully proven in the half-century in which business has been carried on by the bank and its predecessor, but the capacity of the management to keep abreast of modern requirements is made equally plain.

In 1853 the Farmers and Millers' Bank was organized by H. H. Camp and others, and when the National Banking Act was passed it was converted into a National bank. Mr. Camp was connected with the bank as Cashier and President for forty years, resigning the latter office in 1893.

Frank G. Bigelow is the present capable head of the bank, and the continuous prosperity of the institution is largely due to his energetic and well-directed labors in its behalf. The bank has grown very rapidly in the past four or five years—an increase of some $6,000,000 in deposits being shown in that time.

A portrait of Mr. Bigelow appears elsewhere in this issue. He is chairman of the executive council of the American Bankers' Association, one of the highest

official positions in the organization. The other officers of the bank are: Vice-President, Wm. Bigelow; Cashier, Frank J. Kipp; Assistant Cashiers, T. E. Camp and H. G. Goll.

MARINE NATIONAL BANK.

This is one of the oldest banks in the Northwest, its organization dating from 1839. The story of the Wisconsin Marine

WASHINGTON BECKER,
President Marine National Bank.

and Fire Insurance Company is so well known to bankers that it need not be retold. George Smith and Alexander Mitchell were among the most successful of the country's early bankers, and at a period when there was much unsound banking they did a thoroughly sound and legitimate banking business, invariably redeeming the company's notes despite all the schemes of rivals to take them unawares.

In 1900 the bank was reorganized as the Marine National Bank with $300,000 capital.

The officers of the Marine National Bank are: President, Washington Becker; Vice-Presidents, John Johnston and John L. Mitchell (son of the founder, and former United States Senator from Wisconsin). Mr. Johnston has been associated with the bank for many years, and prior to his election as Vice-President was Cashier. The present Cashier is

JOHN JOHNSTON,
Vice-President Marine National Bank.

Arthur H. Lindsay. Mr. Becker, the President, has been identified with some of Milwaukee's large and successful enterprises, and is regarded as one of the city's leading financiers.

RICHMOND, VA.

John P. Branch, *President*.

MERCHANTS' NATIONAL BANK.

Starting in December, 1870, with $200,000 capital, this bank has had a very prosperous career, the surplus fund now amounting to $300,000 and the undivided profits to $300,000. This gives the bank an effective capital of $800,000.

Thos. P. Branch was the first President, Fred R. Scott, Vice-President and John B. Morton, Cashier. John P. Branch succeeded to the Presidency in January, 1881; John K. Branch to the Vice-Presidency in May, 1898, and John F. Glenn to the Cashiership in June, 1881.

It will be seen that in setting aside $600,000 in the form of surplus and undivided profits the bank has provided ample security for its shareholders as well as depositors. The protection of the shareholders is sometimes overlooked, but it

Merchants' National Bank.

may be stated as a general truth that the bank that looks after the interests of its shareholders is precisely the one that also affords the strongest security to depositors.

The Merchants' National Bank is one of the large and strong banks of the city of Richmond, its deposits on September 15 last amounting $3,310,000 and total resources $4,315,613. Besides carrying

J. F. GLENN, *Cashier.*

a large line of mercantile, individual and corporation accounts, the bank is a depository of the State of Virginia, the city of Richmond and of the United States.

No word of commendation is needed to establish the Merchants' National Bank in the confidence of the business interests of Richmond, for that confidence is already held. The officers of the bank, too, are well known in the South, and elsewhere. They have made the bank successful in every respect in the past, and according to the demands of the times have always provided an important share of the banking facilities of Richmond and the tributary territory.

CITY BANK.

The City Bank of Richmond, is one of Virginia's most substantial banking institutions, and since its organization in 1870 has enjoyed the confidence of the public.

At first the capital of the bank was $50,000, but it has been increased from time to time to the present amount—$400,000. There is also a surplus fund of $100,000. It has been the policy of the bank to keep in a strong position, and this course has met public approval, as is indicated by the steady gains in business.

With connections at all prominent points the City Bank of Richmond is prepared to extend the best of service to its patrons. The officers and directors have long been identified with the successful commercial enterprises of the city, and are among the most prominent business men of Richmond.

The present officers are: President, Wm. H. Palmer; Vice-President, E. B. Addison; Cashier, J. W. Sinton. Directors: E. B. Addison, Jas. H. Anderson, James N. Boyd, I. D. Cardozo, S. H. Hawes, A. L. Holladay, William Josiah Leake, E. T. D. Myers, Wm. H. Palmer, S. W. Travers, W. R. Trigg, B. B. Valentine.

FIRST NATIONAL BANK.

The First National Bank of Richmond, Va., was organized in 1865, being a consolidation of the old First National and the National Exchange Bank. Since that time it has steadily progressed, until now it stands the foremost institution of the State, and one of the leading banks of the South. The growth of the business of the bank during the past six months has been particularly gratifying to its many friends.

A cut of the front of their building appears in this issue. This front was one of the few things left standing for some distance along Main street, after the evacuation of Richmond, at the close of the Civil War; the rest of the building was destroyed by fire.

The immense granite columns shown were brought from Vermont, and the building erected about 1840. Prior to

FIRST NATIONAL BANK, RICHMOND, VA.

the war it was occupied by the old Exchange Bank of Virginia.

VIRGINIUS NEWTON, *President.*

Virginius Newton, the President, is one of Richmond's best-known citizens.

JNO. M. MILLER, JR., *Cashier.*

He is also President of the Richmond Clearing-House Association, President of the Union Bank, a member of Davenport & Co., the well-known firm of bankers and brokers, and a director in many other large enterprises.

Col. John B. Purcell, Vice-President, is the senior member of Purcell, Ladd & Co., a prominent wholesale drug house, president of the American Ether Company, and was, at one time, president of the Richmond Chamber of Commerce.

John M. Miller, Jr., was formerly National bank examiner for Virginia, West

CHAS. R. BURNETT, *Assistant Cashier.*

Virginia, North Carolina, South Carolina and Tennessee. He left this position to become Cashier of the Merchants and Farmers' National Bank, of Charlotte, N. C., remaining there until February last, when he came to Richmond as Cashier of the First National.

Charles R. Burnett, the Assistant Cashier, is a son of the late Henry C. Burnett, who was for twenty years Cashier of the bank. He received his training in the bank, and was made Assistant Cashier in February, 1902. He is probably one of the youngest bank officers in the country.

On the next page will be found a comparison of figures of ten years ago, and February and July, of this year.

	Deposits.	*Loans.*
February 23, 1892..	$1,866,172.12	$2,199,745.51
February 25, 1902..	2,428,246.64	2,359,878.81
July 15, 1902........	3,250,539.91	2,915,861.40

As indicating the high esteem in which the bank is held, and as a striking evidence of its prosperity, it may be stated that 205 is now bid for the stock, which sold in February last at 180.

NORFOLK, VA.

NATIONAL BANK OF COMMERCE.

The prosperity of the South is well illustrated by the growth of the banks, and there are few institutions whose progress has been more satisfactory, both in extent and character, than the National Bank of Commerce, of Norfolk. It has the largest capital of any bank in Eastern Virginia, having $500,000 capital and about $280,000 surplus and profits. It has been intimated above that this is a growing bank, and this is shown very strikingly in the following comparative statement of the bank's resources and liabilities:

A record of net earnings for six months periods on the capital of $200,000 shows the following:

December 31, 1897..........................	$11,003
June 30, 1898..............................	12,481
December 31, 1898..........................	14,050
June 30, 1899..............................	19,600
December 30, 1899..........................	20,052
June 30, 1900..............................	19,128
December 31, 1900..........................	22,092
June 30, 1901..............................	23,595

This shows a very substantial gain in profits, and of course enlarged earnings would be shown were the comparison carried forward to include the period since the capital has been increased.

That the management is in good hands is proven by a good test—that of results. Nathaniel Beaman is President; R. P. Voight, Vice-President; Hugh M. Kerr, Cashier, and M. C. Ferebee, Assistant Cashier.

	Jan. 31, 1890.	*Jan. 31, 1897.*	*Sept. 3, 1901.*	*July 16, 1902.*
RESOURCES.				
Loans and discounts....................	$268,998.81	$468,789.45	$1,107,126.56	$1,841,850.36
United States bonds and premiums....	....	....	162,800.00	376,474.50
Other bonds and premium.............	27,000.00	55,235.25	59,773.75	41,754.28
Banking house and fixtures...........	22,868.60	28,368.25	32,000.00	32,000.00
Other real estate......................	....	....	1,138.17	1,138.17
Due from banks.........................	25,250.13	24,769.20	155,834.62	178,679.11
Cash and exchanges....................	45,150.83	47,481.38	143,220.68	204,704.10
Redemption fund with U.S. Treasurer.	....	....	....	12,500.00
Totals..............................	$389,268.37	$624,643.28	$1,661,893.78	$2,679,100.52
LIABILITIES.				
Capital stock paid in..................	$50,000.00	$100,000.00	$200,000.00	$500,000.00
Surplus fund............................	41,241.62	73,333.15	100,000.00	250,000.00
Undivided profits.......................	....	....	78,355.89	21,161.79
National bank notes outstanding......	....	....	....	250,000.00
Dividends unpaid.......................	....	....	552.00	1,896.00
Individual deposits.....................	288,128.81	381,585.18	1,129,771.50	1,279,360.98
Bank deposits...........................	....	19,724.95	153,214.39	276,820.72
United States deposits..................	....	....	....	99,861.63
Bills payable and re-discounted........	9,897.94	50,000.00	....	....
Temporary loans........................	....	....	....	....
Totals..............................	**$389,268.37**	**$624,643.28**	**$1,661,893.78**	**$2,679,100.52**

The high position the bank occupies is further shown by the fact that it was selected as a depository both by the United States Government and the city of Norfolk.

NORFOLK NATIONAL BANK.

The President of this bank, Mr. Caldwell Hardy, is well-known to members of the American Bankers' Associatión through his work as chairman of the executive council. At the convention held at Milwaukee last year Mr. Hardy was chosen first vice-president of the association. When the Norfolk National Bank was organized, in 1885, he became Cashier and in 1899 was elected President.

From the start the bank has been a success, and the results of the prudence and foresight that have marked its management are well represented in the following statement made to the Comptroller of the Currency at the close of business September 15, 1902:

RESOURCES.	
Loans and discounts	$1,778,356.25
United States bonds at par	1,100,000.00
Other bonds	301,300.00
Banking house	25,000.00
Cash	226,350.68
Due from banks	655,690.67
Total	$4,086,697.60

LIABILITIES.	
Capital	$400,000.00
Surplus	200,000.00
Undivided profits	210,082.06
Circulation	400,000.00
Deposits	2,776,615.54
United States bond account	100,000.00
Total	$4,086,697.60

By comparing this statement with those of previous years it is found that the bank has made a gratifying increase in its deposits. The sound principles that guide its management are indicated by the fact that the surplus and profits have been permitted to accumulate until they exceed the capital.

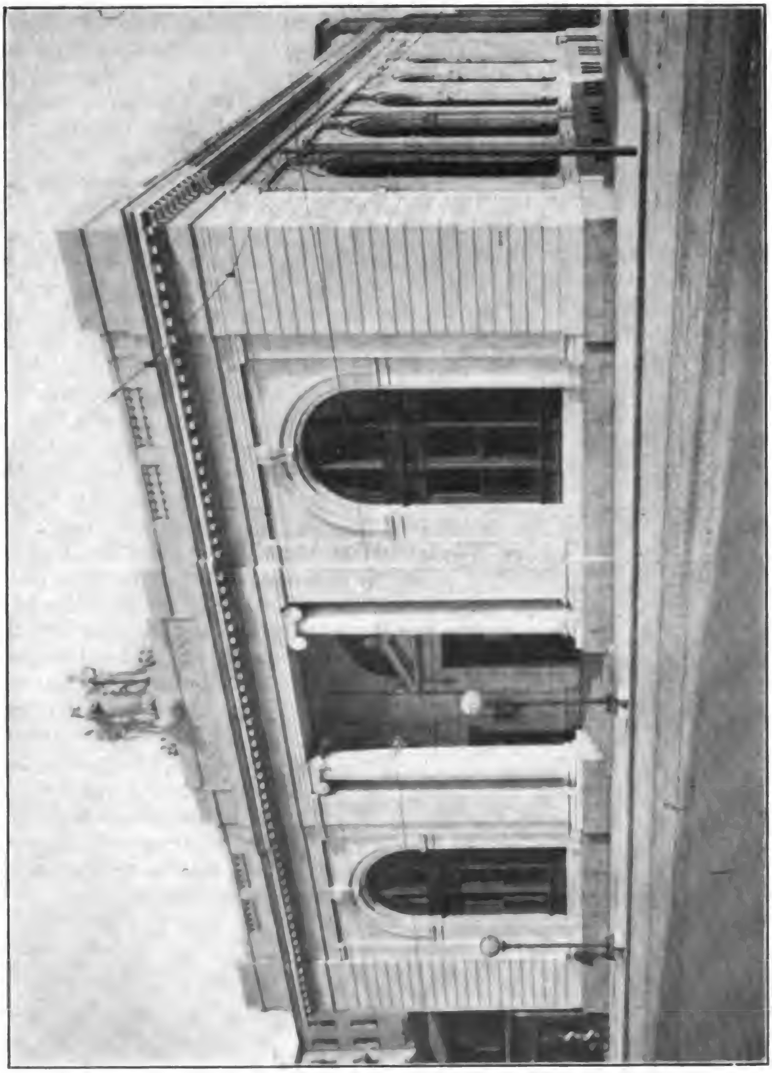
A full list of the officers and directors of the bank follows:

Officers: Caldwell Hardy, President, first vice-president of the American Bankers' Association; C. W. Grandy, Vice-President; A. B. Schwarzkopf, Cashier; W. A. Godwin, Assistant Cashier.

Directors: C. W. Grandy, M. L. T. Davis, of M. L. T. Davis & Co.; W. D. Rountree, of W. D. Rountree & Co.: William H. White, F. S. Royster, president of F. S. Royster Guano Co.; R. P. Waller, John N. Vaughan, of Vaughan & Barnes; D. Lowenberg, J. G. Womble, C. A. Woodard, C. Billups, of C. Billups, Son & Co.; Thos. R. Ballentine, Caldwell Hardy, William M. Whaley, president of Roanoke R. R. & L. Co.; Henry Kirn.

The correspondents of the bank are: National City Bank, New York; National Bank of Commerce in New York; National Park Bank, New York; National Bank of the Republic, Boston; Farmers' and Mechanics' National Bank, Philadelphia; Fourth Street National Bank, Philadelphia; Merchants' National Bank, Baltimore; Drovers' and Mechanics' National Bank, Baltimore; National Bank of Washington, D. C.; Traders' National Bank, Washington, D. C.; Fourth National Bank, Cincinnati; Continental National Bank, Chicago.

The Norfolk National Bank is a United States depository and carries the accounts of many of the leading merchants and manufacturers of Norfolk.



STATE SAVINGS BANK, DETROIT, MICH.

STATE SAVINGS BANK, DETROIT, MICH.

The State Savings Bank of Detroit, Michigan, was organized in 1883 with a capital of $150,000. In 1887 the capital was increased to $200,000, and in 1889 was further increased to $500,000, and in 1902 to $1,000,000.

The bank does a general banking business, receiving accounts of banks and bankers, firms, corporations and individuals. The savings deposits at this time are over $6,000,000, and commercial deposits over $4,500,000, while deposits of banks and bankers are over $2,500,000. A department is also maintained for the exclusive use of the women patrons of the bank, which is extremely popular. That the growth of the bank has been steady and warranted the frequent increase of capital is evidenced by the following comparative statement of deposits for thirteen years at date of June 1, shown above.

JUNE 1,

1890	$1,817,673.39
1891	2,263,537.42
1892	3,036,957.82
1893	3,851,813.44
1894	3,125,962.48
1895	3,763,750.56
1896	4,523,818.04
1897	4,820,717.36
1898	5,406,647.35
1899	6,766,662.67
1900	7,791,281.13
1901	10,206,928.02
1902	13,033,431.96

STATE SAVINGS BANK—INTERIOR VIEW.

The deposits on September 15, of this year were $13,640,485.52.

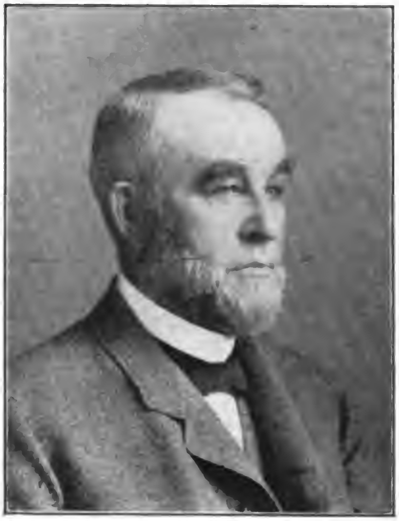
On June 1, 1900, the bank moved into its present offices in the building (shown in our illustration) which is owned and occupied by the institution exclusively, and represents an investment of over $500,000. The building is a one-story structure built of white marble, with granite base. The general style of the interior is Italian renaissance, in which the soft-toned, ivory-shaded Norwegian marble is used with excellent effect. The building covers a lot 100 feet front by 138 feet deep. The distance to the roof is fifty-six feet. The banking office is 100 x 100, but the central banking room,

independent of alcoves, is 60 x 60; the ceiling is forty feet high, and the room is lighted by skylight. The building is undoubtedly one of the most beautiful bank structures of the country, and its arrangements are not only in the best taste but represent the highest requirements of safety, comfort and convenience. The bank numbers among its patrons some of the largest firms and corporations in Detroit and vicinity. Its directors are R. A. Alger, ex-Secretary of War; Wm. T. Barbour, President Detroit Stove Works; H. M. Campbell, of the law firm of Russel & Campbell; C. L. Freer, capitalist; R. W. Gillett, President Detroit Copper and Brass Rolling Mill; Frank J. Hecker, capitalist; R. S. Mason, Cashier of bank; H. B. Ledyard, President Michigan Central Railroad; W. C. McMillan, President Michigan Malleable Iron Co., and Vice-President Union Trust Co.; T. H. Newberry, member executive committee of Railway Steel Spring Co.; H. C. Potter, Jr., Vice-President of bank; Henry Russel, General Attorney Michigan Central Railroad; George H. Russel, President of bank; Hugo Scherer, carriage goods, and Peter White, capitalist.

The officers are: Geo. H. Russel, President; R. W. Gillett, Vice-President; H. C. Potter, Jr., Vice-Presdent; R. S. Mason, Cashier; Austin E. Wing, Assistant Cashier; H. P. Borgman, Assistant Cashier; E. A. Sunderlin, Auditor.

OLD NATIONAL BANK, GRAND RAPIDS, MICH.

During the entire history of this bank, embracing a period of thirty-nine years, it has enjoyed the implicit confidence of the public, and is now more firmly entrenched than ever in the esteem of the business community of which it forms so important a part. Indeed, in all that goes to make up a modern banking institution of the highest character this bank might well be taken as a model. Its success illustrates the possibilities of the highest type of a bank both as a profitable investment for shareholders and as a staunch supporter of legitimate business undertakings. Not only has the management been trustworthy in every respect, but it has been quick in providing the very best facilities to meet the wants of its patrons. Frank acknowledgment is



JAMES M. BARNETT, *President.*

made of the fact that the prosperity of the bank has been due to the prosperity of its dealers; on the other hand, the bank undoubtedly has contributed greatly to their success.

In its equipment for meeting the varied needs of a live business community, the Old National Bank is not excelled.

The bank has been doing business at its present location from the time of its foundation, nearly forty years ago. In 1863 the First National Bank of Grand Rapids was organized with M. L. Sweet, President, J. M. Barnett, Vice-President and Harvey J. Hollister, Cashier. Then the capital was only $50,000, and the first statement, made on the first Monday of July, 1864, showed $134,378 deposits and total resources $319,283. During the life of the bank under its first charter—a period of twenty years—the capital was gradually increased to $400,000. In 1883, when the Old National Bank was organized and succeeded to the business of the

OLD NATIONAL BANK—INTERIOR VIEW.

First National Bank, the capital had been increased until it stood at the present amount, $800,000. On September 15, 1902, the surplus and undivided profits aggregated $348,000. On this same date the deposits were $4,185,870, and total resources $5,584,638.

As the business of the bank kept on growing it was found that the old banking rooms were inadequate, and in the spring of 1900 the work of reconstruction was begun. So completely was the building overhauled and remodelled that it was made practically a new structure, and when the bank took possession of its new quarters it found that its banking rooms, offices, etc., were thoroughly modern. Here are a few of the special features introduced: Women's business office, men's business office, telephone system with independent switchboard, new vaults and safe, modern electric burglar-alarm system, prismatic glass, rendering the whole office as light as day, blast system of heating and ventilating passing 200,000 cubic feet of fresh warmed air through the bank each hour, lunch room for employees, with kitchen adjoining, new furnishings throughout.

In all its departments the bank maintains an organization closely approximating perfection, and offers the very best facilities for transacting business with the greatest expedition, economy and safety. Among the departments are, the commercial department, women's depart-

HARVEY J. HOLLISTER, *Cashier*.

ment, savings department, exchange and money order department, and collection department.

That the bank is still adding to its volume of business may be inferred from the fact that the deposits rose from $2,879,394 on September 5, 1900, to $4,135,870 on September 15, 1902. In the same time the total resources advanced from $4,145,361 to $5,584,638.

There is but little space left to treat of one of the most important characteristics of the bank—the exceptionally strong official staff who have controlled it almost

CLAY H. HOLLISTER, *Assistant Cashier.*

continuously since its organization. President J. M. Barnett has been identified with the bank from 1863, having been the first Vice-President. He is connected as officer and director with many of the city's most substantial business interests and is universally considered by the business men of the State as a man of high standing and undoubted financial strength; conservative and at the same time liberal; a good counsellor and of the strictest integrity.

Harvey J. Hollister, who has always been the Cashier, is one of the oldest bankers in Michigan, his banking career beginning in 1853. Mr. Hollister has been President of the Grand Rapids Clearing-House Association from its organization to the present time. He has served as a member of the executive council of the American Bankers' Association, and has rendered valuable assistance in promoting educational work among bank clerks. Mr. Hollister is also identified with many business enterprises in Grand Rapids and is active in many movements calculated to improve the mental, moral and material conditions of his fellow men.

Clay H. Hollister is Assistant Cashier of the bank and is an ex-president of the Michigan Bankers' Association.

The directors are men who represent the business progress of the live industrial city of Grand Rapids, and their labors have done much to place the bank in its present strong position.

Upon the whole the management and equipment of the bank are such as to insure the highest attainable standard of convenience and safety in the transacttion of its business.

MERIDIAN NATIONAL BANK, MERIDIAN, MISS.

The Meridian National Bank, of Meridian, Miss., was organized in the spring of 1884. It embraces in its list of shareholders the leading local financial interests, coupled with the names of S. G. Bayne, President of the Seaboard National Bank, New York; T. Wistar Brown, of the Provident Life and Trust Company, and John Farnum & Co., of Philadelphia: Jos. Seep, of the Standard Oil Company, and other well-known names. On such a foundation the bank naturally took front rank among the financial institutions of that section, and from the first has enjoyed an unbroken career of prosperity and usefulness.

The board of directors is composed of T. Wistar Brown, of Philadelphia; J. A. Wetherbee, a retired yellow pine lumber manufacturer, of Waynesboro, Miss.; I. Marks, of Marks, Rothenberg & Co., wholesale and retail dry goods; M. Winner, of the firm of Winner & Meyer, wholesale groceries: J. H. Wright, President; O. L. McKay, Vice-President;

J. H. WRIGHT, *President.*

O. L. MCKAY, *Vice-President.*

E. B. MCRAVEN, *Cashier.*

E. L. CARTER, *Assistant Cashier.*

OFFICERS OF THE MERIDIAN NATIONAL BANK.

MERIDIAN NATIONAL BANK—INTERIOR VIEW.

S. A. Neville, of the Meyer-Neville Hardware Company, wholesale and retail hardware; A. B. Wagner, of Wagner & Wagner; and E. B. McRaven, Cashier.

The officers are: J. H. Wright, President; O. L. McKay, Vice-President; E. B. McRaven, Cashier; E. L. Carter, Assistant Cashier. All the officers except Mr. McKay have been connected with the bank since its opening, having been advanced from lower positions to those they now occupy. Mr. McKay was elected Vice-President in June of the present year, resigning the office of Freight Agent of the Mobile & Ohio Railroad at Meridian.

MERIDIAN NATIONAL BANK.

All give their whole time and attention to the bank.

The Meridian National Bank has a capital of $100,000, with surplus and undivided profits $75,000. The bank occupies its own home, which is a model of convenience and beauty, and is a first-class investment withal.

Meridian is the largest city in the State, and the most important railroad point between St. Louis and Mobile.

CAPITAL NATIONAL BANK, INDIANAPOLIS, IND.

One of the most popular institutions in the city of Indianapolis, or in the State of Indiana, is the Capital National Bank, having its banking rooms in the Commercial Club Building in Meridian street, a few steps south of Washington.

This bank was incorporated in 1889 by Medford B. Wilson, of Sullivan, Ind., and his associates, among them being S. P. Sheerin, the late Josephus Collett, of Terre Haute, Norman S. Byram, the latter having been an active director for many years until his recent decease, while Mr. Wilson has remained President continuously since the organization. Associated with these was also Hon. Edward S. Wilson, of Olney, Ill., a prominent capitalist and banker, and since Treasurer of the State of Illinois.

M. B. Wilson had been for twenty-five

MEDFORD BEMENT WILSON, *President.*

years an active and successful banker at Sullivan, Ind., and had conceived the idea of establishing a bank at the Capi tal City which would clear the checks and drafts of interior Indiana banks at par—something never before attempted in the State, and which was considered an audacious experiment by the old-time bankers. With this idea as one of its main features the bank opened for business in the month of November, 1889, in the room now occupied by the United States Express Company, on the east side of Meridian street, where it remained until April, 1893, when it removed to its present commodious quarters in the Commercial Club Building, which is situated in the heart of the wholesale and retail district.

So successful was the clearance of country drafts and checks at par that within a very short period of time the bank had built up a magnificent business and line of deposits, not only with the outside banks in Indiana, but with the business and professional men of Indianapolis. The bank is now the correspondent and reserve agent for over two hundred and fifty of the National, State and private banks of Indiana, Ohio and Illinois, and has larger outside banking connections than any other bank in Indianapolis—this latter fact being universally conceded.

The bank took the initiative in the movement to create Indianapolis a reserve city for the deposit of the funds of other National banks, which was accomplished in May, 1899, and for this received its reward by way of the largest percentage of the increase of deposits of any bank in the city for the six months thereafter following. The business since that time has increased phenomenally, as will be seen by the statement of condition hereinafter shown.

ORLANDO M. PACKARD, *Vice-President.*

Another prominent policy of the bank has been to associate with its management some of the best banking talent obtainable. Along this line William F. Churchman, a first-class, conservative banker (son of F. M. Churchman, the widely known banker, now deceased), who became Cashier and director in 1894. No name is better or more honorably known in Indianapolis and Marion county, than that of Churchman.

Early in the year 1899, Orlando M. Packard, National Bank Examiner for the district of Indiana, six years under Comptrollers Eckels and Dawes, became director and Vice-President. Mr. Packard is a native of Indiana, and removed to Indianapolis from Plymouth in 1897. Probably no other man in Indiana enjoys a wider acquaintance among the bankers and business men of the State. Early in the same year the influence and management of the bank were further augmented by the election as Assistant Cashier of Charles L. Farrell, formerly with the State Bank of Indianapolis. Mr. Farrell is also Secretary of the Indiana Bankers' Association, and is widely known in banking circles throughout the country.

No better statement of the splendid growth of the institution could be made than to set out the condensed statement of the financial condition of the bank on September 15, 1902, which is as follows:

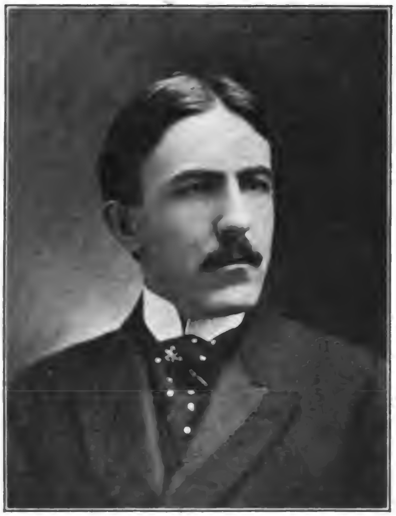
RESOURCES.

Loans and discounts.............	$2,188,474.82
United States bonds (premiums $24,066.78)........................	398,176.78
Indianapolis and other bonds...	430,262.79
Cash and exchange..............	1,289,917.16
Total..........................	$4,256,831.55

LIABILITIES.

Capital stock paid in............		$300,000.00
Surplus fund....................		120,000.00
Undivided profits, net...........		15,031.24
Circulating notes................		80,000.00
Individual and bank deposits............	$3,462,800.31	
United States deposits	279,000.00	3,741,800.31
Total...........................		$4,256,831.55

The present board of directors includes, in addition to President Wilson, Vice-President Packard and Cashier Churchman, the following well-known



CHARLES L. FARRELL, *Assistant Cashier.*

residents of Indianapolis: Arthur A. McKain, President of the Indiana Manufacturing Company, who, for many years, has been a prominent and successful manufacturer, and Harry J. Milligan, attorney-at-law and capitalist. Hon. Edward S. Wilson, banker and capitalist, residing at Olney, Ill., is the only non-resident director.

AMERICAN NATIONAL BANK, KANSAS CITY, MO.

The present management of this bank has been in control since October, 1899; deposits at that time were $1,700,000, and have grown to their present magnitude, that is, $4,000,000. The regular semi-annual dividend of three per cent. has been paid to stockholders, besides the accumulation of about $100,000 surplus and undivided profits. The capital stock of the bank is $250,000. Its loans and discounts on July 16, 1902, were $2,848,-

AMERICAN NATIONAL BANK BUILDING.

000, and the cash and sight exchange $1,400,000.

It will be interesting to refer briefly to the management of the bank.

Charles S. Jobes, the President, was reared in Northeastern Ohio; from where he moved south in 1871, at the age of 18, and engaged in civil engineering, railroad and levee construction in the States of Texas and Mississippi. Later he engaged in banking, and in 1886 located in Southern Kansas where he continued in banking until 1897, when he was appointed National bank examiner and was thus employed until October 8, 1901, when he resigned as bank examiner to accept the presidency of the American National Bank of Kansas City, Mo. During his term of service as National bank examiner his territory covered all the States of Kansas, Missouri, south of the Platte River in Nebraska, and the Indian Territory, and included over two hundred and fifty National banks. His work as examiner therefore brought him in personal contact with a very large portion of the banks tributary to Kansas

City, and gave him an unusual personal acquaintance with the bankers of the territory referred to. His work as bank

C. S. JOBES, *President.*

examiner also gave him a high rank with the office of the Comptroller of the Currency and he was made Receiver of three

G. B. GRAY, *Cashier.*

different National banks during the period of his service as examiner.

Mr. Gray, the present Cashier of the bank, accepted the position of Assistant Cashier in October, 1899, and was elected Cashier in July, 1900. He was born in Kansas City and reared there and in that vicinity, and after receiving his education at Woodland College, Independence, that State, he entered the banking business in Kansas City, and his training has been entirely along that line. Not only has he an extensive acquaintance locally, but among bankers generally throughout the West and Southwest. Of a genial, affable disposition, no one enters the bank without being made to feel at home in his presence.

DAVID THORNTON, *Assistant Cashier.*

Mr. Thornton, the Assistant Cashier accepted his present position in January, 1902, having been associated with his uncles, Jas. T. and Woodford Thornton in the organization of the old Traders' Bank, out of which grew the Union National Bank. His connection with banking in Kansas City extends over a period of nineteen years. He is familiar with all details of the banking business, and is a valuable adjunct to the officiary of the bank.

The following letter from Edward P. Moxey, well known as an expert bank examiner, will be found of interest in this connection :

KANSAS CITY, MO., June 30, 1902.

Mr. Charles S. Jobes, President,
The American National Bank,
Kansas City, Mo.

DEAR SIR: I have the pleasure of reporting that I have to-day completed the examination, which you requested me to make, of the American National Bank, as at the close of business June 10, 1902.

The cash on hand has been verified by actual count; the amount due from reserve agents and other banks and bankers has been verified by statements received from them; all the bonds and stocks owned by the bank were examined and are in the custody of your Cashier, excepting the United States bonds which are on deposit with the United States Treasurer; all of the demand and time notes were verified by actual inspection; pass books of depositors have been called in and balanced; statements have been rendered to banks, bankers and trust companies having accounts with your bank, and same reported correct.

The books of your bank have been accurately kept and your clerks are very attentive to their various duties.

Very respectfully,
EDWARD P. MOXEY,
Certified Public Accountant.

RESERVES ON PUBLIC DEPOSITS.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY.
WASHINGTON, D. C., Oct. 4, 1902.

A wholly unauthorized and unfounded report appears to have been sent from Washington yesterday, calculated to mislead, with reference to the action taken by the Secretary of the Treasury relative to the maintenance of reserve against Government deposits secured by Government bonds. That there may be no misunderstanding, either as to the law or the action taken by the department, you are advised:

The National Banking Act, as you are well aware, lays down the rule that all associations shall maintain certain reserves against all deposits; failing to do which the "Comptroller of the Currency may notify any association, to make good such reserve." Failing to do which, within thirty days, "the Comptroller may, with the concurrence of the Secretary of the Treasury, appoint a Receiver," etc.

The law therefore lays down the rule that the reserve shall be maintained, but lodges a discretion with the Comptroller and with the Secretary of the Treasury as to the enforcement of the rule. You are, therefore, notified that the rule will not be enforced so far as it relates to Government deposits secured by Government bonds.

It must be borne in mind in this connection that it is not the intention of the department to encourage increased credit. On the contrary, very great conservatism should be observed.

But it is the desire of the department that no worthy business interest shall suffer simply because a bank has invested its money in Government bonds to secure a Government deposit, and to that extent has relieved the Treasury from a growing surplus, and has thus restricted its capacity to extend accommodations.

LESLIE M. SHAW, *Secretary.*

THE BURROUGHS ADDING MACHINE.

The Burroughs Adding Machines, which have been attracting considerable attention at the various bankers' conventions throughout the country, represent the highest development of labor-saving devices. They are, indeed, almost human in that they perform some of the operations of the human mind. They add figures and list them with almost incredible rapidity, enabling work of this kind to be done five times faster than the most expert accountant can do it.

With a Burroughs Adding Machine three thousand items can be listed and added in a single hour. Their popularity among bankers is proven by the fact that among fifteen thousand banks there are more than ten thousand of these machines in use. Their great merit is that they save time, work and worry. Banks use them for balancing pass books, listing checks, discounts, totaling ledgers, writing credit and remittance letters, proving additions, etc.

This machine never tires, never makes a mistake and never objects to working overtime or on holidays. It does all the hard part—the drudgery of accounting work. Bank officers value them because they save time and money. They are a bank clerk's best friend, because they relieve him of the detail work and enable him to devote his attention to more important matters. They thereby increase his value to his employer.

THE BURROUGHS ADDING MACHINE.

The Burroughs Adding Machine has been on the market for ten years, and those sold during the early days of the company are in use and operating to-day as well as when first made. They are constructed throughout of the finest polished steel, in a model factory, by expert mechanics, and are made to last a business lifetime. Their durability and accuracy have already been tested by years of service. The machines are manufactured and sold by the American Arithmometer Company, of St. Louis, Mo.

STATE BANKERS' ASSOCIATIONS.

REPORTS OF RECENT CONVENTIONS.

PENNSYLVANIA BANKERS' ASSOCIATION.

The eighth annual convention of the Pennsylvania Bankers' Association was held in Horticultural Hall, Philadelphia, September 24 and 25, Grier Hersh, President of the York National Bank, presiding. Addresses of welcome were made by Mayor Ashbridge and by C. Stuart Patterson, President of the Western Saving Fund Society of Philadelphia. President Hersh then delivered his annual address. He stated that the membership of the association was now 527, an increase of sixty-seven in the past year. The amount of the combined capital, surplus and undivided profits of the membership is $210,000,000, with deposits of $775,000,000, or a total banking capacity of nearly one billion dollars. He reported great activity among the various groups. After reviewing the different proposals for bettering the present currency and banking system, he offered the following suggestions:

"1. That the Government, in lieu of the reduction of its funded debt, out of the current revenues retire $50,000,000 of the $346,000,000 of United States notes for three successive years, and that the remaining $196,000,000 be retired by the $150,000,000 held in the gold reserve and $43,000,000 taken from the general fund of the Treasury. That, thereafter, the United States notes cease to be a legal tender, and a lawful money gold certificate be created.

That with the $50,000,000 gold remaining in the general fund, create a reserve fund to maintain at a parity with gold the $30,000,000 Treasury notes (1890) and the $500,000,000 of silver. Silver certificates not to be issued in denominations of more than $5.

2. That all moneys in the available cash balance of the Treasury in excess of $50,000,000 be deposited in National banks. Any National bank having a combined capital and surplus of $200,000, not less, may become a Government depository. The amount of deposits in any bank shall be limited to twenty per cent. of its combined capital and surplus.

A bank shall maintain a reserve in gold coin or certificates of twenty-five per cent. of the amount of deposits held by it, and shall pay the Government interest at the rate of two per cent. per annum upon the amount thereof. It shall give to the Government a first lien upon the assets of the bank, except bonds held to secure circulation, including the stockholders' liability as a security for the payment of such deposits, upon demand.

3. That after the United States notes are retired, National bank notes, secured by the deposit of Government bonds shall be redeemed in gold coin or certificates, and 'the notes of other banks' may be counted as legal reserve.

4. To equalize the cost of providing, and to increase the profit on the issue of bond-secured circulation, thereby increasing the volume, a tax be levied upon the franchises of all National banks, as measured by their capital, surplus and undivided profits, in lieu of the duty upon circulation.

The country banks issue seventy per cent. and the city banks thirty per cent. of the amount of the present circulation. A tax of one-fifth of one per cent. upon the franchises would produce from the country banks an amount equal to that produced by the present tax on circulation paid by them and upon all the banks an amount equal to that produced by the tax upon the $450,000,000 of circulation.

5. That each National bank be authorized to take out and issue in the manner prescribed by the National Banking Act (except as to bond security) bank notes, secured by a lien to the Government upon all the assets of the bank, except bonds held to secure circulation, including stockholders' liability, subject, however, to the prior lien given, or thereafter given, to the Government to secure the payment of deposits, if any. Asset notes shall be redeemed in the same manner as the present bond-secured bank note. Before a bank shall take out asset notes it shall pay into the redemption fund, for the redemption of its notes only, an

amount equal to five per cent. of the amount taken out, in gold coin or certificates, and shall maintain, in addition, a reserve in like money of ten per cent. of the same.

Should any bank fail to redeem its notes on presentation the Government shall redeem them and reimburse itself from the guarantee fund, and this fund shall be replenished as far as possible from the assets of the failed bank.

6. That the asset currency be restricted in issue as follows: A bank shall be authorized to take out and issue an amount equal to ten per cent of the bonds held by it to secure circulation, subject to a tax at the rate of one-half per cent. per annum, and an additional amount of ten per cent., subject to a tax of one per cent., and an additional amount of ten per cent., subject to a tax of two per cent., and an additional amount of ten per cent., subject to a tax of five per cent. Should the total issue be in excess of fifteen per cent. of the bills receivable and stocks and bonds held by it, then subject to a tax of ten per cent. on the amount in excess thereof.

The proposed issue of asset currency being somewhat experimental, the tax upon the smaller amounts authorized to be issued, is permissive, yet mildly restrictive, the restrictive tax growing larger as the amount of authorized issue increases.

7. That the moneys received from the interest on Government deposits from the tax upon the franchises of the banks and from the tax on asset currency be annually applied to the creation of a Government guarantee fund, in addition to the redemption fund.

That when this fund amounts to 2½ per cent. of the total amount of authorized issue of asset currency, then the tax upon the franchises of the banks shall not be collected, except as hereinafter provided, and the interest received from the Government deposits and from the tax upon the asset currency may be used for general expenses by the Government. Should, however, the guarantee fund be reduced below the required amount, then so much as may be necessary of the interest upon the amount received from Government deposits and from the tax on asset currency shall be applied to the restoration of the fund, and should this amount be insufficient, then from an increased tax upon the franchises of the banks, not to exceed in any one year one-fifth of one per cent. But this increased tax shall be returned to the respective banks as soon as the amount received from them is accumulated from the receipts from the assets of failed banks, from the interest upon Government deposits and the tax upon asset currency.

As the issue of bond-secured notes is limited at present to $700,000,000 by the bank capital, the total authorized asset currency issue, forty per cent. thereof would be $280,000,000. The guarantee fund would be $7,000,000. The receipts to be applied to this fund with but $100,000,000 of asset currency issued would be, approximately, $6,000,000 the first year. It is hardly possible that the bank franchise tax would thereafter be collected.

8. To prevent a redundancy or a sudden contraction of the currency, the amount of bond-secured currency now limited in retirement to $3,000,000 a month shall be increased to $10,000,000 and the prohibition to a bank retiring currency to again re-issue except after six months, be removed.*

9. That for the next ensuing three years there shall be no increase in the amount of authorized issue of asset currency. Thereafter there shall be a gradual reduction of the bond-secured currency and a corresponding increase in the amount of the authorized issue of asset currency, subject, however, to the discretion of the Secretary of the Treasury, but in no one year shall the reduction in the bond-secured currency be more than $40,000,000. At the time of the maturity of the issue of the present two per cent. thirty-year Government bonds there shall be no longer any bond-secured currency. Thereafter the asset currency shall be subject to no tax other than such restrictive taxes as will prevent a redundancy of the currency. The amount of issue of each bank shall be apportioned to the amount of its capital stock, but limited to a definite percentage of its assets as shown by its bills receivable and stocks and bonds.

The chief purposes of this plan, therefore, are the final establishment of the financial integrity of the United States, the removal of the burden of the maintaining of the gold reserve from the Government and placing it upon the banks; the return to the people of the idle money of the Government through the banks; the issue of an asset currency to meet immediate needs, the payment of which by the banks of issue is guaranteed by the Government, and the provision made for the repayment to the Government by the banks of any exercise of this guarantee, through taxation no greater than the present self-imposed currency tax of a majority of the banks. It further proposes the maintenance of the present bond-secured currency and the trial of the asset currency for a number of successive years, and thereafter an optional gradual retirement of the bond-secured currency and a like issue of asset currency, without loss to the banks.

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*This prohibition was removed by section 12 of the act of March 14, 1900.—Editor BANKERS' MAGAZINE.

The release of over $100,000,000 of bonds held to secure Government deposits would probably increase circulation to $400,000,000. This would provide asset currency under this plan to a limit of $160,000,000. In times of great financial stress the use of the limit of $700,000,000 bond-secured currency would provide an asset curreny of $280,000,000. The total currency would, therefore, have an expansive ability of from no issue to $928,000,000 issue. A redundancy of the currency would scarcely be possible under this plan. The small profit to be derived from bond-secured currency would disappear unless ninety per cent. of the amount authorized by the bonds held could be kept in circulation. A withdrawal of bonds would follow any loss in this form of currency, and, with it, the asset currency dependent for issue thereon. The guarantee by the Government of this asset currency consists of nothing more than the pledging of certain of its taxing powers to a specific object, and can therefore not be onerous.

The American people, it is believed, will demand, through whatever plan adopted, that the Government will finally declare to the nations its financial integrity, and to its citizens that the issue of banks organized under its authority, regulated by its law and inspected by its officers, shall be absolutely safe in the hands of the people."

Reports of the secretary and treasurer and of the group chairmen were presented, and showed that the condition of the association is good and that banking and other lines of business are exceedingly prosperous.

L. K. Stubbs, Secretary and Treasurer of the Chester County Trust Company, Westchester, spoke in regard to the work of the Trust Company Section. He said in part:

"I rise upon this occasion to give you evidence that the Trust Company Section is very much alive and that we propose to answer the roll-call every time. As you know, the trust companies have not been a factor in Pennsylvania financial circles for more than about ten years. In 1892 the first report was made to the State Banking Department. At that time there were seventy-two trust companies in the State. To-day there are about 200. As compared with the National banks during the same period, the ratio of growth has been nearly twice as rapid. There are $400,000,000 of resources and $250,000,000 of deposits. I simply cite these figures to show you that the trust companies to-day are quite important, and that you made no mistake when you organized a Trust Company Section."

Col. R. E. James, President of the Easton Trust Company, was the next speaker. His address was as follows:

Address of Col. R. E. James.

"Gentlemen, I sincerely hope that the exceedingly bad acoustic properties of this hall will prevent your discovering the fact that my remarks will not be responsive to the text assigned me on the printed programme. By one of those misadventures that sometimes happens, I failed to connect with the subject that was given me by somebody else with the kindest intention, but I have taken the privilege to ignore it.

Never in the history of our country have the appearances of prosperity been so marked. Never in our most enthusiastic visions have we fancied a future so full of promise and abounding hope as the present seems to offer. At no time in our varied history have our people commanded the respect of the world as now, and never has the power of our country, either in material wealth, industrial energy or national policy, created so profound an impression as is exerted to-day. Yet never in the history of our country have there been such conditions of commercial uncertainty and vagueness of understanding as exist at the present. It is impossible to suppose that the new conditions have abrogated rules established by the experience of the ages. It is impossible to believe that these new conditions are not controlled by the same principles of political economy which in narrower fields, everywhere, in all time, have shaped the progress of commerce. Results to-day may be astounding and seemingly in opposition to known causes, but a wider view may show us that either we have misinterpreted the causes or that we have prematurely formed judgment. So great has been the change from the conditions of the past that we guess at the future, but with grave uncertainty. The change is too great, the situations are unfamiliar. We scan the history of other peoples for parallels, but in vain. We seem to stand alone, the authors of new methods, the founders of new schools, with no similar examples to give us comfort or educate our course. Master hands have seized the reins of our financial and political world. They drive the chariot after their own minds. Vast interests of similar character heretofore conducted under individual direction now mass their energies as well as their capital and concenter the administration of their entire business in the land. Capital seeks capital, and, in vast aggregations, gathers all the energies in certain lines of business and directs them with one mind. The

place of the middleman will soon know him no more forever. The energetic individual is lost in the methodic conduct of a great aggregation. It all seems symmetrical, logical and ideal in its combination of power and energy, and yet upon our minds is left a doubt, an uncertainty, a wonder as to what the future may bring forth. The possibilities are so magnificent, the conceptions are so vast, that we follow, perhaps unconvinced, but still follow and move onward with the tide, blindly led to some goal, the character of which we cannot anticipate. It may, indeed, be the beginning of a new era. It may, indeed, be the introduction of new methods, which will soon fix themselves, not only in our own country, but throughout the entire world.

FUTURE NOT WHOLLY FREE FROM DOUBT.

But with all this vast accumulation of capital comes an equally vast accumulation of liabilities, and there is reason to doubt the future. Two years ago the European world predicted immediate financial disaster, and, instead of the prediction being verified, we budded forth into a new and still more prosperous condition. The judgment from their standpoint was faulty. Judgments from our basis may be equally uncertain, so we criticise these new methods and new doctrines of economic conduct in the quiet of our own chamber, and fear to utter our thoughts lest we be taken for carping critics and fossils of a previous age. Remarkable as the present conditions are, they are perhaps, after all, the natural and legitimate outcome of the policies we long since inaugurated, and which are now known the world over as distinctly American. We have for more than a half century struggled for manufacturing ascendancy. We have assumed great burdens and suffered many hardships for this accomplishment. Half a century ago we were a strong, vigorous, agricultural people, distinctly American in blood and in thought. To-day we are a vast manufacturing hive, with so great an admixture of imported material as to require the last resources of our political system to assimilate the mass. The period of the 'sixties' irrevocably severed us from a peaceful, contented, agricultural past, and the succeeding decades have hurried us into a boisterous, grasping, manufacturing present. We have passed from the simplicity of manners, the freedom from luxurious tastes, the moderation of desires, the dignity of manual toil, to an era of luxury, affectation, extraordinary business energy and premature development. We have invited for selfish purposes the poor and oppressed of every land to our shores, and it seems that most of them have come. The descendants of the Cæsars construct our railways, and the sons of the Magyars control our coal fields, while Hun, Goth and Vandal relieve Americans from labor—also from the wages thereof.

The philosophy is taught that the peace and content of the agricultural Arcadia of the fathers was sloth and rust, and that the ideal life is the strenuous present. Under the stimulus of favoring legislation we have passed from the old to the new. Within a short lifetime 30,000,000 have become 90,000,000, and five-figured statements of wealth have now passed the power of arithmetic nomenclature to express.

GREAT NATIONAL DEVELOPMENT OF THE COUNTRY.

We have belted every plain and banded every mountain with our railways. We have searched out every hidden vein of wealth that underlies our soil and made it yield its riches to our private treasury. We have erected factories in every valley, and, peering above the foliage, are seen the stocks of great industry—the tireless pickets of progress. Every pathway brings increasing wealth to our great commercial centers. And, with this material advancement and prosperity, with even pace, the nation strides onward to power and influence.

Parallel with this unexampled development of material wealth has been the progress of our national importance. Our unlimited resources and exhibition of vast wealth have impressed themselves on the nations of the world, and to-day there is no power so remote but, willingly or unwillingly, bows its head in respect to the great American Republic. Our influence is felt in every port, and the expression of our opinion influences every great diplomatic work. We have reserved to ourselves the right to give direction to the destinies of all America, have commanded Europe to consider us as a party in all great matters, and have shown some indications of being willing to point out policies for transoceanic countries. We have driven the Spaniard from our seas, and have extended our strong arm to the Asiatic coasts, taking into control millions of fellow human beings, alien in manners, in customs, in language, in everything. We have created a great navy, which, by its power of material and its equipment of men, carries our flag in every sea and demands that this Republic shall be considered. We have shown the power to raise great and effective armies upon the shortest notice and the ability to supply the administration of our affairs with unlimited means for any cause. In consequence, national pride has been stimulated to the last degree. We fondly look upon ourselves, and with reason, as the salt of the earth; and this pride in our ability as Americans does not confine itself to affairs merely political, but stimulates an abnormal confidence in everything American. It leads to the belief that American methods are the best methods, and that, although there may be no example or parallel for our development in

commercial lines, that yet the best surety for the fact that these new developments in commercial life are not only excusable, but in reality are the best that human mind could formulate, is because they are American. Under the protecting shadow of this sentiment, new schemes reach the limit of audacity. National pride comes to the support of commercial experiment, and the situation finds us seemingly unpatriotic in criticism of this startling commercial development. So our commercial development and our national pride go hand in hand, the patriotism of the one shielding the faults and follies of the other.

Notwithstanding periods of financial distress, each decade sees us greater, richer. Wealth has accumulated beyond measure, and accumulated wealth seeks investment, presses upon financial centers, and soon sets active minds busy in the invention of ways for its absorption. Strong minds see possibilities in directing its employment, and, with the omnipotent power given by the direction and control of great means, trusts and combinations follow, as night follows the day. Manufacturing corporations and individuals pool their issues and act as one man. Transportation companies cease their warfare and are directed by one mind. Business rivalry ceases and competition is dead. The wider the application of this new commercial method the more hopeless is the helplessness of the consumer. The destruction of business rivalry destroys the last hope of the consumer and leaves him naked and helpless. So the results of prosperity may lead to the establishment of powers of untold evil for the land. And the result of wealth created by long years of legislative stimulus and unnatural support may be an enslaved, stricken and impoverished people.

MANY CORPORATIONS BUILT UPON UNSTABLE FOUNDATIONS.

But, accepting these new creations, what confidence shall be placed in their stability? In many instances they are thrust into life in violation of economic laws, in violation of every rule of business method, and in defiance of every principle of prudence, the constituent members being taken at valuations three and four-fold their actual value. The total makes an inflated capitalization impossible of support save under the most favorable circumstances, and when disaster comes they will fall like a house of cards, and in their fall will cause widespread disaster and destruction. Living, they have powers of oppression and extortion, which, if exerted, can do untold harm, and the people's only hope is in the humanity of their destruction—dying, neither they nor their victims can moderate the disaster of their taking off.

The seeds of decay were implanted in the very germ of their creation, so that it is entirely possible that these organizations, or many of them, may become rotten ere they are ripe. The lessons of the past teach with great distinctness the financial doctrine that water is not substance, and that wind is not reducible to cash value. The capitalization in most cases has been enormously in excess of values and is actually duplicated by bonded debt, and there comes a time, come soon or late, when the inevitable squeezing process will take place and when inflated concerns will be reduced to their proper and normal size. This economic law is inflexible and will not be avoided even by conspicuous earning powers. This method of organization is not confined to the half-dozen combinations that are most conspicuous in commercial affairs. The lessons they have taught have been readily seized by others everywhere, with the result that innumerable corporations of lesser magnitude have adopted the same methods in their organizations and conduct of business, thus increasing to an almost incalculable degree the danger that arises from commercial corporations organized in defiance of the plainest principles of prudence. Industrial companies of every description—transportation companies, mining companies, manufacturing companies—organized with a minimum of capital and a maximum of hope, swim like bubbles until the day of their bursting, and yet none of these is so insignificant but that it can boast of large bonded indebtedness, publish the most elaborate prospectuses, exhibit the most convincing schedules and tabulations of figures, and, with the aid of the United States mails and the polished expressions of genteel agents, thrust their commodity upon every market for sale. It would be a shocking exception if you should find that any of their material possessions was built at the expense of the stockholders. In this latter-day school of finance the original stockholder is a creature of favor, without money or responsibility, who receives shares of stock for the favor of his acquiescence in accepting it. He toils not, neither does he spin. He schemes to get much out of nothing, and casts his bait for the unwary. He plans to seize upon wealth without giving consideration, and hopes the general prosperity may shield his schemes from too close a scrutiny. He discounts the future, and leaves to his victims the perspiration of the day of maturity. He destroys the presumed foundation of investment securities, and converts so-called bonds into speculative holdings less secure than the shuttlecocks of the stock market; the bond buyer becomes his financial angel, making his schemes possible, and the bondholder is the beast of burden who carries or is crushed by the load.

The philanthropic directors authorize and sell, if they can, an issue of bonds usually aggregating 200 per cent. of an economic estimate of cost, but the promoters, the contractors,

the managers, must be considered. There was a time, before the introduction of the present school of finance, when individuals or corporations engaging in business conceived it necessary to put capital into their business and pay as a preliminary at least part of the cost of construction. Under the new rules of political economy now sought to be enforced this is entirely unnecessary. The only capital is such as can be drawn from the gullible public by bond issues far in excess of the cost of the plant, and the gentlemen on the inside who give their ponderous intellect to the promotion of the scheme absorb for their personal uses a very considerable portion of the realization from bonds and the entire stock. Then comes the second effort to convince the public that the stock is worthy of their consideration, and, by such manipulation of figures as may be possible, to make an exchange, accepting the public's cash for their valueless stock. This is the concrete result of a system of finance as old as the centuries and repudiated in every decade by more or less of financial disaster, and yet which springs up like the irrepressible phœnix perpetually from the pyre of its destroyed hopes. John Law did not cast his seed on barren ground, and a plentiful crop of his disciples are to-day financing corporations. The Mississippi Bubble and the financial philosophy of the Platte are fit forerunners of these methods.

FAILURE TO PROFIT BY THE TEACHINGS OF EXPERIENCE.

It would seem that the repeated results following the financial crises of the last four or five decades would have brought us worldly wisdom, and would have rendered it impossible for such methods to exist. In the deepests of our despondency, when severe and prolonged financial disaster is upon us, we readily place the causes, and firmly resolve that in the future these rocks shall be avoided; but no sooner does the first indication of convalescence come to a stricken commerce than the schemer and schemes, clothed in new and alluring garments, present themselves on every hand. The public is chary at first, but after observing the great commercial centers fostering these schemes and providing for their exploitation, good resolutions and prudence by degrees pass to the winds. The new securities are accepted at first with caution, and then with confidence, and when the succeeding day of retribution shall come the inevitable punishment will fall, not upon the creators and instigators of the evil, but upon an incautious public, which, after long protest, has accepted the situation and taken interest in the schemes which externally are fair as the rose but within are apples of Sodom. To-day finds us no wiser than prior to the panic of '57 or '73 or '93. In the vast increase of wealth and commerce these subjects have kept pace, and in their entirety far surpass anything ever heretofore known. We may not hope to compel wisdom in the purchaser or to prevent the process by which the results are arrived at, but if we still have regard for those long-established rules which are the guides for the conduct of prudent investors, we may moderate our own misfortunes in the disasters which they invite. To those who represent in large degree the investing public it is worth while to pause and think. The period of '93 acted as a great compressor, and excluded from almost every security then upon the market the watery portion. But since '95 and '96 the crop of new corporations and the vast harvests of their offered inducements have placed upon the public a new burden immense in quantity, questionable in quality, and which, as sure as the decrees of eternal fate, must in their turn go through the compressor, to the sorrow and loss of those who at that time are found possessing them.

To the individual investor it becomes a matter of extreme conservatism and caution. The element of easy confidence must be put in abeyance. To the country at large comes a greater duty, and one which at last is receiving some attention. Whether protection shall come from State or nation must speedily be determined. But large bodies move slowly, and if we wait for the State, or the States, or the general Government, to curb and regulate and compel these offenders, we may wait beyond the period of hope. For decades we have prayed for currency reformation, for relief from currency stringencies caused by Government interference with the media of exchange and the utter insufficiency of bank issue. The disaster of '93 was precipitated by the incapable system now in vogue, and, with the return of prosperity, comes the threat of disaster from the same source. For nine years this subject has been constantly before the people and Congress. We have been gorged with promises of amendment, only to see the hope wither after election day, and to-day the natural annual wants of commerce send a shiver of fear through departmental direction and commercial channels everywhere. For six years we have hoped for the fulfillment of promise. For six years we have strained our eyes toward Congress for a sign of relief, and yet to-day the United States Treasury must bow the suppliant knee to private corporations and resort to extraordinary process to prevent lightning from a smiling sky—to prevent disaster in the midst of prosperity—to avert if possible the logical and necessary results of a kindergarten system of finance. The danger has been imminent—its possibility demonstrated over and over again, but nothing has emerged from committee doors. Gage may appeal and Fowler may formulate, but Congress fiddles. Commerce may beseech and trade thunder a warning,

but Congress fiddles—varying views, differences in details, are the excuses for inaction. Incapacity, indifference to public need, and partisan obstinacy amuse themselves with the music and court the conflagration.

INVESTORS AND BANKERS MUST PROTECT THEMSELVES.

What, then, can be hoped from legislation? The heart grows sick and prosperity is slain while you wait. With this standing danger threatening the best values, what shall be done with the bubbles and balloons of these latter-day creations. It is a far call for help from legislation, either to moderate the evil itself or to avert a danger springing from government itself. The remedy and safeguard lies alone with the investor. Large profits in syndicating unhealthy corporations may be very tempting to bank or trust company managers, but a reasonable degree of decency and honor should prevent their lending character to the characterless. Large discounts on the First Mortgage seven per cent. bonds of the Mars and Venus Trolley Line, guaranteed, are vastly attractive. But the future has its vengeance and will repay. Prudence and conservatism will close the market to this material, and the disaster will be confined to the few who sought 'to do' the many.

These thoughts are not regrets for the old, or criticisms of the new. We must take the world as we find it. Philosophy must yield to fact. Nor is it intended as a call to the destruction of policies from which bad is evolved as well as good. Such policy would destroy the good in the flaying of the bad. It is a call to caution, a demand for the exercise of unusual prudence; an effort by combined and vigilant action to hold fast to and perpetuate the untold blessings of a prosperous period by a refusal to touch, taste or handle the rotten products of this wonderful harvest."

Col. James was listened to with close attention, and his remarks were frequently applauded. At the close of his address, on motion of Mr. McAllister, he was given a vote of thanks.

J. Hampton Moore, Treasurer of Philadelphia, spoke on the "Philadelphia Loan System," and Gen. Louis Wagner, President of the Third National Bank, Philadelphia, spoke in favor of making Philadelphia a central reserve city.

Hon. James H. Eckels, ex-Comptroller of the Currency, and now President of the Commercial National Bank, Chicago, was the next speaker. He said:

THE GOVERNMENT'S RELATION TO THE CITIZENS' BUSINESS AFFAIRS.—ADDRESS OF HON. JAMES H. ECKELS.

"I propose to-day to discuss a question, not distinctively of finance, or banking or currency, but one of broader scope and of more immediate importance, for within its scope comes all of these phases of our business interests and more besides. The relation which the general Government bears towards the private business affairs of the country may well challenge the thoughtful attention of every citizen of the republic at a time when it is sought to make these relations still more close and the control thereof a still more potent factor in their conduct. The plea which I make is for far less governmental intimacy and influence in the business world, and the protest which I enter is against the ever-recurring invoking of the sovereign power of legislation in matters of banking, trade and commerce. I wish to speak for the right of the business man to manage, regulate and control the interests in which he has invested his own property, unhampered by the continuous 'be it enacted' of National and State legislative bodies and freed from the worse than useless regulating commissions that make place for partisan adherents and aid to party successes. I take the ground that governmental interference in the business world, whether it trenches upon banking and its function of note issue, or the affairs of commerce, manufacturing and transportation has in the past caused confusion and embarrassment, and will in the future continue to work a still greater loss to all classes and conditions of our people. It has swung the Government away from that foundation principle upon which it was believed to have been founded, that it became beneficent in its administration when it governed the least and brought it to a position where on every hand governmental powers impinge and governmental control seeks to intervene. There is no field where so much of this is manifest as in the business one, there is none where it is more to be deplored, there is none where its efforts have been so impotent for good and so potent for harm. The forced creation in effect by statutory enactments of business partnerships between the Government and the citizen through the statutory administration of the Treasury Department, have been so baneful as to nullify in more than one instance the efforts and the financial skill of men of great affairs and place upon them and the business world at large burdens which were as needless as they have been proved to be expensive and absurd. The Treasury Department in any Government should find the exer-

cise of its legitimate functions within the confines of collecting, under the law, the needed revenues for the conduct and maintenance of the Government in all of its departments and the disbursement of the same. When it goes beyond and enters, under the hard and fast rules which here, at least, govern it, the domain of a wider finance, it does so without the ordinary and natural means of maintaining its position and of necessity brings upon itself confusion, and to the country's trade and commerce uncertainty and loss.

GOVERNMENT LOCKING UP OF MONEY PROFITS NO ONE.

We have but to turn to the manner of the conduct of its own monetary and financial needs to witness the very absurdity of its position and the evil which it thereby works to the affairs of men of business, into which it has thrust itself and to which at recurring seasons it proves a stumbling block. The Government in its Treasury Department by force of law undertakes to be a bank, but the futility of the undertaking becomes manifest when it is known that it is founded upon no banking principles and conducted in accordance with no recognized banking rules. In its sub-Treasury system it is the bank of the mere safety deposit vault or the stocking of the ignorant and suspicious person, who needs must have within his grasp always the actual money, who has no faith in credit and who refuses to contribute anything to maintaining the affairs of a business world carried on and enlarged by the instruments of credit. Into this Government safety box each day is being lodged vast sums of money taken out of the channels of trade and commerce at a time when most needed, there to lie in wasteful idleness to the profit of none but to the loss of all. By such a system every business man is made to pause daily to consider how far he may expand, to what extent he must retrench, for all his dealings ultimately are affected by the amount of money the Government is withdrawing from the needs of the business world, and thus whether he wills it or not the Government is his partner and the Government's acts control his own. The difficulty which confronts him is no ordinary one, for under our system of raising revenue not even the most expert of the Government's own officials can tell with any degree of accuracy what amount of revenue will be received during the year over and above the appropriated Government expenditures. At the best it is a guess, of necessity poorly made and unscientifically determined. There is but one thing certain, and that the inevitable result that the more revenue raised by the Government beyond its needs the worse becomes the condition of the citizen. The impoverishment is of a double character. It needlessly takes from him property that had better be left in his own possession, and to this wrong unites the additional one of hoarding it in the sub-Treasury to the detriment of his business undertakings which require a sufficient supply of currency to make possible the transacting of them. Estimates of revenue based upon a mere guess coupled with an unscientific use of the same can only result in one thing, and that recurring business derangements.

The glaring inadequacy of the Treasury Department as at present working under the operation of law, for accomplishing results other than embarrassment, and the complete weakness of the situation which it occupies, was never more strongly evidenced than it is to-day. There is no one at all informed of the general conditions which prevail in every section of the country and in every character of industry who will undertake to controvert the proposition that the business of the country and its financial interests rest upon an absolutely sound foundation. There is in neither the business nor the banking world any structural weaknesses. Even continued speculative movements of greater or less magnitude have not weakened nor lessened the tremendous values of the things of which the people of this country are possessed. The amount of the circulating medium, gold, silver, Treasury and bank note issues, was never so vast in amount or the per capita circulation so great. And yet, despite all this mighty show of an ever-increasing wealth and widespread prosperity, in more than one commercial and banking centre business men are talking of a money stringency, taking note of the needless absorption of currency by the governmental Treasury and fearing the effects thereof upon the country's trade and commerce. It will not do to say that the evil of it affects the speculator and, therefore, is a matter of indifference and of little moment. It reaches farther and goes deeper, and in the end the speculator least of all is injured. The men who suffer most in the last analysis are the men who raise the crops and move them, the banking interests who have in hand and distribute needed money and credits, the great transporting lines, the merchant and the manufacturer. All these are burdened with uncertainty, embarrassment and loss, for in a forced contraction of loans made necessary by the withdrawal of needed currency by the Government all classes and conditions suffer. The evil of the present condition is in the largest measure chargeable to the Government itself. It is not the fault of the man of affairs, whether he be a merchant or a manufacturer, nor that of the banker, nor even the speculator in stock upon the exchange. All men of business are the sufferers and must continue to be as long as the Government of the United States insists on maintaining a fiscal system which, in the manner of raising revenues and the keeping and distributing of the same, takes into account hardly a single correct rule of

finance. The Government, the statutory forced partner of all, must bear the moral responsibility at the present time of a condition of its own creation, though free of any legal liability. As long as the Government is the one great hoarder of the needed instruments, invented by the business world to facilitate the transfer of any property from citizen to citizen, there should be no complaint upon the part of those who administer its fiscal affairs if the banking and commercial world demands of it the exertion of every power possible to lessen the harm which the system works.

There can be no Secretary of the Treasury, no matter how wide his experience or acute his financial perception, who can accomplish more than a temporary makeshift for relief with the half-created banking system which makes up the sub-Treasury—an institution based upon false theories in economics and which in every part violates correct banking methods and principles. If the safety deposit theory of banking as exemplified in the sub-Treasury is the true one as applicable to national governmental fiscal affairs, it should prove equally essential in the governmental finance of States, counties, cities and villages, and these all should go outside the banks and each establish its own respective strong box and withdraw still more of the country's currency from daily business life. So, too, the individual business man should do the same, for there can be no correct rule for one which is not applicable to all who are engaged in any business which requires the management of money and credits, whether it be a corporation or an individual. If all in business received deposits only to hoard them, soon interchange of commodities would cease, manufacturing come to a standstill, agricultural interests languish and transportation lines grow idle. That which no business man accepts as a correct principle in his own undertakings his Government enforces to the wasting of his own and his fellows' substance.

With each recurring fall we see exactly that which we are now witnessing, whenever as now there is both Government receipts in excess of Government expenditures and business activity. Through the operation of the law the sub-Treasury is piling up needless amounts of money and draining the banks of currency to the embarrassment of business everywhere. And yet the system, notwithstanding repeated demonstrations of the utter folly of it, remains as it was when through the exigency of violent partisan politics it unfortunately was brought into being, and in the exuberance of our national pride we point to the great mass of money in the national Treasury as illustrative of our tremendous wealth and extraordinary financial acumen. If our national legislators would but analyze the situation as it is, and our administrative forces recognize that the whole system is inherently wrong and insist upon a complete revolution in the Government's financial operations, the seasons when great crops are gathered and great wealth added to our stores would not be viewed by the men of commerce with alarm and by the bankers with feelings of trepidation.

The remedy for such an evil is not hard to find nor should it be difficult of operation. It lies in the first instance in the Government placing its raising of revenues upon some certain and scientific basis, whereby estimates of results thereunder become reasonably accurate, and the amount taken from the people for governmental needs no greater in amount than governmental necessities require. In the second instance all of the Government's financial operations, whether they be receipts or expenditures, should be carried on through the banks on the same basis as the vast operations of the world of ordinary business. The Government needs neither a strong box nor a working balance wholly disproportionate to its daily operations. When it keeps the one and maintains the other it makes of itself a disturbing factor wherever the lines of commerce and banking are undertaken.

But the weakness of the Treasury system does not stop with the mere hoarding of the country's currency and the maintaining at a great loss to all of a needlessly large working balance. It goes beyond this and in other ways causes still more embarrassments. It is not sufficient that industrial prosperity is checked and commercial operations crippled, but the welfare of the agricultural classes as well be made to suffer in that which affects them most vitally, the financial requirements necessary to the marketing of the crops in the Northwest and Southwest. No demand for money can be more legitimate, no requirements more urgent nor more certain than the annual call for large amounts of currency notes to be used in payment for the harvesting and moving of grain and cotton. The bankers of the country have each year before them the task of procuring and distributing the needed supply of such notes. With each recurring year the problem is made more difficult and the burden greater by the laws governing the Treasury Department in the matter of small currency issues. It is true at times small notes may be procured at the sub-Treasuries in exchange for notes of like kind in large denominations, upon application to the Treasury Department and upon payment by the banks of all transportation charges at regular express rates on currency from Washington. But this small concession may not always be had at interior sub-Treasuries where the stock of small notes held by them is limited and soon exhausted. Again, banks located in sub-Treasury cities are obliged to pay transportation charges at regular rates on large notes sent to Washington as well as similar charges on small notes received in return. These duplicated charges with incidental delays and loss of interest increase to a prohibitive

point, so far as banks remote from Washington are concerned, and where small notes are most needed. It is impossible to so procure them, and relief must be sought elsewhere. The very system thus established, it is evident, increases the amount of actual currency required in such circumstances and the employment temporarily of a much larger proportion of the total cash resources of the bank is made necessary, with resulting depletion of their cash reserves, contraction of loans and withdrawal of large sums which might otherwise remain in the channels of ordinary trade.

I do not criticise the administration of the laws governing in this or any other respect as they affect the Treasury Department, but I do criticise the laws themselves and the fiscal system which they have builded up. As long as the Government is in the business of issuing notes and denies to the banks that function upon a rational and true economic basis, it is not unreasonable in the business men of the country to demand of it that there be kept on hand always at sub-Treasuries, however remote from Washington, a sufficient supply of currency of notes in current denominations, to be freely and instantly exchangeable for notes of like kind of other denominations whenever the legitimate interests of the country require it.

I wish to add but another word upon the Treasury Department. It cannot be otherwise than seriously imperfect until it abolishes or emasculates the sub-Treasury, grants to the accredited agencies of commerce, the banks, larger and more reasonable methods of bank issues, ceases to be the depot of supply for the gold shipments from the country and recognizes the fact that all its operations are but commercial banking ones and should be transacted through the country's banking institutions. Such a revolution in the conduct of it would call forth protest from the men of politics, but in the end the country would be the gainer and the citizen freed from a harmful statutory partnership not of his own choosing, but the outgrowth of unwholesome legislative enactments.

REGULATION OF THE TRUSTS.

A single other subject and I am done. In the midst of a period fraught with many changes in the country's business undertakings have come as a natural sequence to all that has gone before in the devolopment of the country's trade and manufactures great combinations of capital, world-wide markets and far-reaching efforts to make the American business man the master of the world's commercial situation. With all these changes, without analysis upon the one hand or proof of harm and injury upon the other, those who believe in the wisdom of a regulating force of legislation are quick to suggest that the law-making powers should act and again notify the man of business and the investor of property in an enterprise of large instead of small proportions, that the Government will have to become his uninvited partner and the law-maker without business experience or knowledge by statute take part in the conduct of the business in which he has no investment. The basis of all these regulating statutes is that men who are in business will not conduct it, except as compelled by law, with any other purpose than injury to the general public.

It is further assumed that when the individual merges his property right with others into a corporation, his whole relation to his fellows and the law changes and his rights are lessened. I do not believe any good will ever come from any suggested regulating statutes, but on the other hand they will prove the fruitful source of harm. The men of accumulated wealth are not going to destroy the interests of the individual of smaller means and less success. They know most of all that the general prosperity must be maintained if they are to continue the success of their world-wide undertakings. The regulating statute making the Government in business affairs a needless inquisitor and partner, is the source in more than one instance of blackmail and forerunner of socialistic doctrines. If the Government can regulate, why not own and control to the full manufacturing plants, commercial houses, railway and steamship lines? The step from regulation of the character proposed by all these suggested statutes to governmental ownership and socialistic conditions is but a short one, and the former seriously undertaken will inevitably find lodgment in the latter. I recognize that social, commercial, educational and ethical conditions have changed within the past three decades. There has been an evolution, or revolution, if you please, in all that goes to make up the complex life and business of the citizen of this great Republic. But with it all, the basic principles of American life remain unchanged and must continue to. The principles of right, of honesty, of fair dealing, of integrity, of character, of personal ambition as a necessary element to success, all these are as they were yesterday, as they are to-day and will be forever. These cannot change, and as long as they are inculcated into the minds of the people and followed out in practice, success will come and none will suffer because of the magnitude of the business in hand or the capital involved. We need less legislative acts in business, not more. We must have fewer Government commissions, not a greater number. In fine, the country's great prosperity has been gained by business men in the face of more than one governmental obstacle and hampering governmental partnership. Those who now deplore to-day's conditions and see in them but evidence of needed restriction upon the men

who have wrought them, may rest assured that, after years of patient toil, great property risks and skillful works, these captains need no legislative acts to restrain them from destroying the temple which they have builded at such a cost. Their success makes them none the less Americans, their wonderful achievements none the less patriots.

There ought to be no place for pessimists. It is the optimist who yet remembers business principles and bases his transactions upon economic principles; and if we but remember what has been done outside the domain of legislation, and go forward upon the same lines that have characterized the past, ever keeping in touch with the evolution of business ideas and business principles and business interests, this country of ours will become a still greater and wealthier nation, and this Government in its history and its acts and in its power, still more glorious."

Mr. Eckels was unanimously tendered a vote of thanks for his address.

Hon. A. B. Hepburn, ex-Comptroller of the Currency, and now Vice President of the Chase National Bank of New York, next addressed the convention. He spoke as follows:

The Financial Situation in Europe.—Address by Hon. A. B. Hepburn.

"Mr. President and Gentlemen--I read coming over this morning with great interest and approval the address to which you listened yesterday from Mr. Patterson. I desire also most heartily to endorse the exposure of the absurd mediaeval financial system under which our Government affairs are at present conducted, to which you listened from the last speaker. It is not difficult to discover the evils in our banking system, nor would it be difficult to remedy the same could they be referred to a competent board of business men, but our country is so large and its interests, real or fancied, so diverse and Congress is such a deliberate body, and the whole subject is so hedged about by precedent, that it is an idle hope, I fear, to look for speedy relief.

AN EMERGENCY CIRCULATION AS ISSUED IN GERMANY.

I have endeavored to make a practical suggestion as to emergency circulation, and, in so doing, I have drawn a lesson and a precedent from the law and the experience of Germany.

Germany is one of the great commercial nations of the world. The progress she has made and is making in securing the carrying trade of the world is truly wonderful. The rapid development of her manufacturing industries that supply cargo to her outgoing ships is no less remarkable. Her industrial activities culminated in 1900 and a period of reaction set in, attended as usual by serious business and banking failures. The liquidation attendant upon the hardening process, while securities and commodities were finding their proper level, necessarily subjected her banking facilities to the severest strain. The ease and success with which her currency laws enabled her banks to meet business wants, allay distrust and avoid a serious panic are, I think, worthy of your contemplation.

The Reichsbank, the Imperial Bank of Germany, was grafted upon the stem of the Bank of Prussia in the year 1875. Its establishment was one of the financial measures made necessary by the modification of the German monetary system after the war with France. The Bank of Prussia was originally owned by the Government, which had contributed its capital of 2,000,000 thalers, but it had grown to 20,000,000 thalers by the admission of private stockholders. The Government, however, continued to control it. The German Empire bought the Prussian Government's interest, raised the capital to M. 120,000,000, and disposed of the whole by private subscription, retaining, however, absolute control over it, which was exercised by an imperial board of directors, subject to the Chancellor of the Empire. By the bank act of 1875 the President and members of the board of directors are appointed by the Kaiser for life, upon recommendation of the Federal Council. The officers of the bank, although paid by it, are considered Government officials, and they are not allowed to hold shares in the bank. The shareholders choose from their own number a central committee, which acts in an advisory and supervisory capacity, but receives no salary. At the time the bank act of 1875 was passed there were thirty-two banks in the Empire which had the right of note issue. The general provisions of the act applied to them as well as to the Reichsbank. They were allowed to issue in the aggregate M. 135,000,000 and the Reichsbank M. 250,000,000 of 'uncovered notes' or 'fiduciary circulation,' or what we term 'asset currency.' These notes are not issued against coin or bullion, nor is any particular asset or security pledged for their redemption. It was provided, also, that if any of the independent banks should for any reason cease to issue notes, their right to issue passed to the Reichsbank. All but five of the independent banks have ceased to issue circulation, and the uncovered issue of the Reichsbank has thereby been increased M. 63,400,000. This currency law worked so well and so satisfactorily during the recent financial troubles of Germany that the Imperial Parliament increased by law the amount

of uncovered notes the Reichsbank might issue, the maximum at the present time being M. 470,000,000. The German law is modeled upon the English law commonly known as Peel's Act of 1844. The German law, like the English, requires that for all note issues above the forego- ing limits the bank must have an equal amount of cash in its reserve, but it does not require them to hold this cash as a separate redemption fund for the notes. Nor is the regulation an inflexible one, like the English act. Any bank may exceed the limitation of the cash reserve, in the amount of bank notes issued, by paying into the Imperial Treasury a tax of five per cent. on the surplus issue, provided, however, that they shall at all times maintain a reserve, exclusive of notes of other banks, equal to one-third of its notes in circulation. Each note-issuing bank is required to publish four times each month a report of its assets and liabilities, showing particularly the state of its note circulation and of the reserve fund. If the note issues are in excess of the limitations above described, the tax is imposed immediately, but collected at the close of the year. In the year 1900 the Reichsbank paid to the Imperial Treasury M. 2,517,853 on account of this tax. While the German system of note issue was modeled upon the English, it was at the same time modified by England's experience in the crises of 1847, 1857 and 1866, when it was found necessary to suspend the bank act. To avoid the necessity of breaking the law on such occasions, the German act was made flexible and has been found to avert trouble in times of severe stringency. In respect to its flexibility, it is preferable to the English system, and certainly preferable to our own. Dunbar, in his 'Theory and History of Banking,' says: 'On more than one occasion it seems certain that the operation of the elastic provision was successful in saving the German community from what would have been a severe spasm of contraction under the usual administration of Peel's Act.'

For the purpose of fixing a tax on circulation, the bullion reserve against which notes may issue was made to include German coin, Imperial notes, notes of other German banks (please note this), gold in bars and foreign coin, the pound fine being reckoned as 1,392 marks. Very many of the provisions of their law as to currency are similar to our own. In the year 1900 the note circulation of the Imperial Bank was in

	Marks.		Marks.
January	1,099,677,000	August	1,096,006,000
March	1,309,970,000	September	1,343,963,000
May	1,090,761,000	November	1,166,141,000
June	1,309,865,000	December	1,409,945,000

The above figures reflect the elasticity and flexibility which a proper currency system should possess. During the year 1900, in March, the excess circulation was M. 238,258,000; April, M. 33,196,000; June, M. 158,645,000. Upon these amounts a five per cent. tax was paid, the bank rate of interest being 5½ per cent. In September the excess circulation was M. 292,-527,000; October, M. 138,674.000; November, M. 23,067,000, and December, M. 355,917,000 ($84,706,-246). Upon these amounts a tax at the rate of 5 per cent. was paid. The bank's interest rate was also 5 per cent. The money was loaned at a rate of interest equal to the tax which the bank had to pay. In 1901 the bank paid a 5 per cent. tax upon excessive circulation during several months, while the bank's rate of interest was 4½ per cent. and 4 per cent. I mention this to show that the bank derived no profit from the surplus circulation, rather a loss. It realized its advantage in supplying public needs and averting calamity. In this we have illustrated the successful working of a currency system easily adapting itself to the varying needs of a great commercial nation. Now for the contrast.

Our currency is sound beyond question, good beyond peradventure. The only flexibility t possesses is supplied by the product of our mines and the ebb and flow of gold as it goes and comes in settlement of international balances. The law forbids the retirement of more than $3,000,000 per month of circulation, ostensibly to prevent a too sudden contraction of the currency. The real motive of the law at the time of its enactment was to prevent Government bonds, held to secure circulation, from coming upon the market.

This law may have been justified when the nation was struggling for its life and compelled to strain every resource to market its securities and raise necessary funds. Now, with its bonds eagerly sought, commanding the highest premiums and netting the lowest rate of interest of any Government bonds ever issued by any nation, there is certainly no reason for the retention of laws which serve only to add rigidity to our currency system. You will note that in Germany the notes of other specie-paying banks are counted as reserve; not so with us, and yet a National bank note is a higher order of obligation than a greenback or a United States bond. It has, first, the obligation of the bank to pay; second, is secured by a Government bond; and third, the Government is pledged by law to redeem it upon presentation, having in turn a prior lien upon the assets of the bank for reimbursement.

I cannot persuade myself that a bank note, as that term is generally understood, ought ever to be counted as reserve, but our National bank notes, secured as they are, are as good for reserve, or for any other purpose, as any obligation in this country can be.

CLEARING-HOUSE CERTIFICATES INADEQUATE.

Unable to find a wholesome relief and safe conduct for business under the terms of the law, the banking and business public have sought and found relief in outside instrumentalities. This relief has usually taken the form of clearing-house certificates, although in the panic of '93 manufacturing and other commercial enterprises issued orders and due bills to circulate as money, and banks throughout the country issued Cashier's checks and certificates of deposit in small amounts for similar purposes. Clearing-house associations issued certificates (in one instance as small as twenty-five cents) which were designed to and did circulate as money. All such issues were clearly subject to the ten per cent. tax imposed upon all other than National bank circulation. The service rendered to the public was so great and so manifest, however, that the Government forbore to prosecute. The volume of currency substitutes so issued has been carefully estimated at $30,000,000, exclusive of clearing-house certificates issued by the large Eastern cities. It is worthy of note that not one cent of loss resulted from their use. The Clearing-House Association of New York, in 1893, issued their first certificates June 21, their last September 6. All certificates were finally retired November 1. The total amount issued was $41,490,000. The maximum outstanding at any one time was $38,280,-000. The rate of interest paid thereon by the banks to the Clearing-House Association was six per cent. The Philadelphia Clearing-House Association issued $11,465,000, and the Baltimore Clearing-House $1,475,000 in certificates, practically coincident with the New York issue as to time and similar as to conditions. Boston issued $11,695,000, the first issue bearing date of June 27 and the final retirement was October 20. The rate of interest paid was 7.3 per cent. The aggregate maximum amount of these four cities was $66,125,000.

Clearing-house certificates, as you well know, are issued by the clearing-house association to its members upon the hypothecation of approved assets and securities with a twenty-five per cent. margin. These certificates are available in the hands of any member bank in settling debit balances at the clearing-house. They are not good in the hands of individuals and afford only indirect relief. They amount to a partial suspension of currency payments. These certificates have rendered great service to the business community in the past, but in my judgment, under changed conditions, the time has gone by when they may be safely availed of in any of our large cities. They would materially impair our national prestige as a money power in the world of finance and depreciate our securities as a nation. They would materially injure the banking and commercial interests of the city making use of the same. Any temporary relief that they might afford would be presently more than offset by the withholding and diversion of remittances from correspondent banks who would send their funds to cities where currency payments were still maintained. Individuals would hoard rather than deposit their money. Our commercial welfare demands that the public be taught, not only our own country but the world at large, that their money is nowhere safer than in our banks, and that it will be returned when called for in any form of payment which may be required. As a debtor nation in times past, clearing-house certificates were very properly and very successfully used. As a creditor nation, actively engaged in the financial affairs of the whole world, and strongly contending for the markets of the world, in order to achieve success we must maintain the highest credit at all times and under all circumstances.

My suggestion is that we profit by the experience and copy the example of Germany, and authorize the Comptroller of the Currency, with the approval of the Secretary of the Treasury, to issue to banks with, say, not less than $50,000 capital and 20 per cent. surplus, emergency circulation in an amount not exceeding 50 per cent. of the capital stock—the same to be subject to a tax of 6 per cent., ½ per cent. monthly, to be paid January and July as the present tax on circulation is now paid. The Government, issuing the circulation, would know the exact amount of each bank's outstanding circulation in excess of bond security. The 6 per cent. tax would induce the retirement of such circulation at the earliest moment consistent with the public welfare—retirement to be made by deposit of lawful money as now provided by law. The Comptroller of the Currency should have the right to withhold circulation from any bank and also the power to direct the retirement of emergency circulation at any time. Let the Government redeem this emergency currency and have prior lien upon assets to secure reimbursement as now provided by law.

Instead of setting apart a portion of the bank's assets, as in the case of clearing-house certificates, give prior lien upon all. The statistical history of the National banks for thirty-eight years proves conclusively that such a currency would be safe. The loss to the Government on account of such redemptions would be very slight, if any, and would be many times covered by the six per cent. tax imposed. An annual tax of three-eighths of one per cent. imposed upon outstanding circulation would produce a sum of money more than sufficient to redeem every note of every National bank that has failed since the creation of the system, and, too, without recourse to the Government bonds held as security. This would furnish a

currency good in the hands of the public, good everywhere, good for any purpose. It would extend all the advantages heretofore derived from clearing-house certificates in the larger cities to the towns and country generally. Such a currency would be free from the criticisms applying to clearing-house certificates while having all their advantages and many more. It would not be a source of profit to the banks, except as it would safeguard values and protect business. Like a policy of insurance, it would afford relief in case of calamity. It would in times of panic extend to the grain fields of the West, the cotton fields of the South, and the counting-house of mine and factory, the relief which heretofore only metropolitan centres have measurably received through clearing-house certificates. Panic means business paralysis. The fear of loss induces people to lock up their money and withhold credit, and stagnation naturally ensues. Let the weekly wage of our shops and factories be withheld, instead of going into the Savings banks and channels of trade, and a currency stringency is quickly created. The only way possible for relieving such a condition of affairs is to move the products of the country, the wheat, cotton, iron, steel—in fact, all merchandise, to the markets of the world, in order to realize their values, thereby relieving the stringency and restoring a normal condition of affairs. In the hands of the producers these commodities must be paid for in money. The field hand, the factory hand and labor generally must be paid in money. Actual currency must perform this function. We have had panics in the past, we will have panics in the future, and all signs indicate that the next panic will be 'man's size.' An emergency currency such as I have outlined could be obtained by a very slight amendment of existing laws and no disturbance of existing banking mechanism. It is so manifestly in the interest of all classes and all industry that it ought not to be difficult to obtain such legislation from Congress. It seems to me that serious consideration of this question is well worthy of your association, representing as you do the banking and commercial interests of one of our greatest Commonwealths."

Brief remarks were made by William T. Dixon, President of the National Exchange Bank, Baltimore.

After passing a vote of thanks to the Philadelphia banks, the convention proceeded to the election of officers, with the following result:

President—J. R. McAllister, Cashier of the Franklin National Bank, Philadelphia.

Vice-President—David McK. Lloyd, of the People's Bank, Pittsburg.

Treasurer—E. E. Lindenmuth, of the Clearfield Trust Company, of Clearfield.

Delegates to the convention of the American Bankers' Association: L. L. Rue, of Group 1; Isaac Y. Spang, of Group 2; William H. Peck, of Group 3; John G. Reading, of Group 4; James Brady, of Group 5; J. G. Davis, of Group 6; D. L. Jerrold, of Group 7; Robert W. Wardrop, of Group 8; W. W. Ramsey, of Pittsburg, and Robert Wayne, of Philadelphia, for delegates-at-large.

MARYLAND BANKERS' ASSOCIATION.

The bankers of Maryland met in annual convention at the Blue Mountain House, Penn-Mar September 19, Charles C. Homer, President of the Second National Bank, Baltimore, presiding. An address of welcome, prepared by Judge Edward Stoke, was read by Alexander Neill, President of the Hagerstown Bank, Judge Stoke being unable to be present. In his annual address President Homer, after alluding to other matters, had the following to say in regard to the active competition now manifest in banking:

"But in the spirit of rivalry, of competition, and of expansion born of this age of tireless effort, to my mind there lurks, among others, one danger particularly threatening our craft, and to which I feel justified in calling your attention. From the very nature of our business we are a body of trustees. We hold in our hands, according to the manner in which we administer our stewardships, the welfare and the consequent happiness or the ruin and consequent misery of our respective communities. We should bring to the execution of our trusts absolute fairness of judgment, unhampered power of decision and fearless courage of action, deaf alike to the whisperings of undue reward or the threats of adverse criticism.

The spirit of competition and expansion has also entered the portals of many financial institutions. Have we weighed carefully the consequences that may befall us? Have we duly considered the pitfalls that lie covered in such a course? How can a bank or a trust company, bidding all kinds of inducements, in order to allure to it the patrons of other institutions, exercise that independence of action, that judgment in discrimination, that fairness toward and that impartial interest in all its patrons so necessary to successful banking? Rivalry springing from a sole desire for power, matured by love of self-aggrandizement, nourished by feelings of avarice, stimulated by grasping determination to possess, simply for the satisfaction of having that which others can, perhaps, better and more effectively manage and develop, is a danger against which I would earnestly warn each and every one of you, should the temptation ever beshadow your threshold. But a rivalry in supplying the best facilities for the transaction of legitimate banking, rivalry in creating the greatest security for those who entrust us with their substance, rivalry in real helpfulness to those deserving thereof and dependent upon us therefor, rivalry in the gradual construction of institutions whose name shall be a synonym of integrity, of solidity, of confidence reposed and respect commanded, an institution whose light shall shine brightest when the storms of alarm and panic are darkest, whose helpfulness shall be greatest when the anguish of uncertainty, of fear and of madness is fiercest—an institution whose conduct shall make it a model, whose record shall command the respect and good will of its community, and around whose name the traditions and memories of goodly acts shall bid the hand of gratitude entwine garlands of love and loyalty—such rivalries are ever welcome, are ever to be commended, and will ever yield the most bountiful, the most lasting harvest."

Gen. Thomas J. Shryock, of Baltimore, spoke on the spirit of mutual helpfulness that should exist between a bank and its depositors.

James D. Fenhagen, a clerk in the Merchants' National Bank, Baltimore, described the organization and purposes of Baltimore Chapter of the American Institute of Bank Clerks, which was formed ten months ago, and now has 120 members. Lawrence B. Kemp offered a resolution commending the work of the chapter and for the appointment of a committee of three to encourage and co-operate with that organization. This motion was passed unanimously.

The following officers were elected: President, Charles T. Crane, Baltimore; vice-presidents, Wesley M. Oler, W. H. Conklin, Michael Jenkins, John M. Nelson, Edwin Warfield, Baltimore; S. T. Jones, Oakland; Charles H. Stanley, Laurel; James P. Townsend, Snow Hill; J. Alfred Pearce, Chestertown; Joshua T. Cockey, Cockeysville; secretary, Lawrence B. Kemp, Baltimore; treasurer, William Marriott, Baltimore; committee on administration, Charles C. Homer, William T. Dixon, Baltimore; Robert Shriver, Cumberland; J. Wirt Randall, Annapolis; Dr. Joshua W. Hering, Westminster.

Robert Shriver, Esq., President First National Bank, of Cumberland, delivered the following address:

Correspondence Between Banks—A Plea for a Uniform System.

"After the very interesting and instructive addresses to which you have been listening yesterday and to-day, I confess to a little timidity in presenting a paper on a dry, every-day, homely topic. I dislike, too, to interrupt our pleasures here by carrying even your minds back to the routine of daily transactions from which you have divorced yourselves for a short period, and with which you will be harassed soon enough, when you have 'returned to plain living' after this delightful outing.

My fear is that when we come to consider a plain proposition involving our every-day business, you may say, as the young man did when pickles were offered him at a meal: 'No, thank you; I get them at home.'

But as our association is constructed with a view to consulting over anything that may result in good to ourselves and to the fraternity at large, in addition to its agreeable social features, I take it that my topic will at least be ruled 'in order,' and trust you will find in it enough to think over seriously at your leisure.

We have often heard that old saying: 'All work and no play makes Jack a dull boy,' and the other that 'It is a poor rule that won't work both ways.' If these be true, then the converse of that statement about Jack must be equally true, and it is better that Jack should mix a little work with his pleasure. So, then, I bring to you a bit of practical work to mix up with the pleasures we are enjoying so much here.

I have chosen as my subject for your consideration one of the daily operations carried on in the routine of every banking institution; one that, at first glance, appears to be of small consequence, and which, too often, does not receive the attention it deserves; one that each of you performs, or has performed under your direction, according to your individual fancy, often without a thought of the best method of doing it or how it may operate to the convenience or inconvenience of others, or of how your own convenience may be affected by the manner in which others perform the same act.

I may call it 'Correspondence Between Banks,' and my object in presenting it to you is to offer the result of some of my observations with respect to the methods and means now used to carry it on and to make a plea for a more uniform system of conducting it. I am fully convinced that by putting our heads together and looking over the present lack of system, we shall surely see the wisdom of attacking it, and evolve a method which will be a constant pleasure to us all, not only in the act of doing the correspondence itself, but of instilling into our bank clerks the importance of doing their work in a careful and methodical manner; not to make machines of them, but to have them enter into the spirit of their work and seek for the best way to do it. And we may even hope to influence those of the mercantile world who correspond directly with banks to note that there is a way to do so which is a decided improvement over the way that prevails with many of them.

I shall not undertake to treat upon the theory and practice of correspondence generally, but shall confine myself to the details of bank letters—those sent and received in their current business—how they are and may be made up; the function they are intended to and do perform; the convenience of uniform methods of handling it, and the methods of caring for letters received, for easy future reference; the filing of them away so as to be quickly filed, easily found, and readily replaced after being removed from the file for examination.

Uniformity in the conduct of business—and by this I mean only that banks may all do the same thing in the same way, virtually—is a feature of practical benefit in many directions, and is especially valuable in matters where banks come into contact with each other, not only at the time the thing done is performed, but likewise when reference is to be made to past transactions. And I have no doubt that our bank examiners would hail the day when they would discover such a delightful state of affairs as this infers. Such uniformity is merely system, and, applied to bank correspondence is a matter particularly deserving your earnest attention. To be sure, each bank might devise, and probably has devised, a system of its own, and so far as itself alone is concerned it may be a methodical system; but unless consideration has been had for the recipient of its letters, its system could not harmonize with a different system that the recipient may have devised to meet his peculiar views for his own convenience, a system that might be as methodical as the other. If each bank settles upon a system for itself, each good but differing in some respect from all the rest, then there is no uniformity, and, as a system among a number of correspondents, it is, in fact, no system at all—and that is practically the present situation. The result is a confusion of ideas annoying to us all. The hope of bringing order out of this confusion is my chief incentive in presenting this paper and asking your attention a brief space of time.

Those of you who have had the keeping of the general accounts of your bank, or charge of its correspondence, need only to be reminded of the time spent and temper tried in tracing an error in your books, or in hunting for a letter to inspect the original record of its contents, or in searching for advices of payments or non-payments of collections, etc., to awaken your interest on the subject. And, judging from the interest manifested by those of you with whom I have the pleasure of personal acquaintance, in the detail of your bank work and of a systematic method of its performance, and the eager manner in which you seek for improved methods, I am convinced that you will need no spurring. And when I have finished I trust the interest of all of you in the subject will be so increased as to lead you to discuss it informally, if your time will permit, and eventually to unite upon the chief points presented, so as to make an effectual beginning of a uniform method of bank correspondence —a result much to be desired.

Each bank receives, in the course of its daily transactions, checks on other banks, drafts or bills of exchange, and promissory notes, payable in some other place than that in which it is itself located, and, as well, other things which require special attention at some distant point. Due diligence requires that these evidences of debt, etc., shall be transmitted without unnecessary delay, to the place where they are made payable, so as to be promptly presented for payment, and this necessitates the use of the mails and correspondence. And by this term correspondence let us understand that it means generally the letters and means used to effect the transmission by mail to their destination of checks, drafts, etc., acknowledgments of receipt of same, advices of payment of collections, etc.

In order that we shall all comprehend the terms and forms to be called for by this correspondence, let us sort out the several classes of items to be transmitted, so as to avoid confusion, and give to each a name:

Checks on banks or banking institutions and drafts or bills of exchange payable at sight

or upon presentation; such items as are received and charged on the books of the transmitting bank as cash are designated cash items.

Drafts, bills of exchange, promissory notes, either past due or payable on a future day certain, and such items as are doubtful of payment, whether payable on presentation or not; in short, all such as are not cash items, are designated collections.

Unpaid items, whether checks, drafts, notes, or otherwise, when sent back to the sender, are designated returned items.

And any or all of these, when sent in a letter, are designated by the general term enclosures.

You will bear in mind as we go along that there are two distinct positions in correspondence—one, that of the sender, and the other, that of the receiver of letters, and that each bank stands in this dual capacity, and is, therefore, inconvenienced or benefited, as the case may be, the same as all the rest, from either standpoint.

Among the matters to be considered are these:

1. The sizes of paper to be used for letter sheets, or for acknowledgments, advices, etc.
2. The form of letters used and the uses of the several forms.
3. The manner of conducting correspondence, making up of letters and preserving copies.
4. Preparing of letters for the mail, folding, etc., and sizes of envelopes.
5. Opening the mail; delay and inconvenience of checking up the enclosures when the letter is badly written or badly copied and too much folded.
6. Filing for future reference.

These topics, as you will perceive, would, if fully discussed, carry you from the point of purchasing your stationery to the time your letter has accomplished its purpose and finally laid away to rest until it may be wanted again, which, in the great majority of cases is never. When it is wanted, however, it is like the case often quoted of the man out on the plains in the early days of travel across the continent, who spoke of his gun as a thing he didn't often want, but when he did want it, he wanted it—well, as soon as possible to grab it.

In the smaller country banking institutions, where all, or nearly all, the routine of business is done by the Cashier or under his immediate supervision, almost any form of letter or system would suit his particular convenience, for only a few letters are sent out and received by them each day.

In the larger banks, and especially in those of the larger cities, where the volume of business is large and compels its subdivision, and speed as well as accuracy in work is demanded, it is quite another thing; and the smaller banks should do all they can to aid them in the easy and prompt execution of this branch of their business. With them departments are formed to handle only the class of business as each may be expected to do, and, therefore, the classes we have named can be treated more promptly and speedily if they can be transmitted to the class to which they belong. Cash items, for example, go to one department, where exchange lists are to be made up for the clearing-house, and must be ready at a given hour. Collections are taken care of in another department, entirely separate, and in some banks the returned items and advices of collections paid go to still other departments, and there are possibly other subdivisions.

A moment's reflection will here suggest several important points to be observed in developing a uniform system, and likewise the importance of accommodating our letters to cover these points. Facilitating the business of the bank with whom we correspond is clearly facilitating our own business as well as theirs. And, beyond this, while each bank may desire to conduct its correspondence in such manner as it thinks will be convenient and satisfactory to itself, it has a duty to perform for the convenience of the bank with whom it corresponds. This duty, as well as courtesy, demands that its letters shall be made up in such manner and mailed in such condition as will facilitate the handling of enclosures therein, or any transmitted information, as well as the care of the letters themselves for future reference.

How is correspondence done now?

We receive a batch of letters each day, to be opened, examined, and enclosures checked up to see that the letters record them properly. Some of these letters are enclosed in an official size envelope, and in these the letter and enclosures are all flat, or nearly so, and easily handled; others are folded smoothly and the enclosures folded only once. What a pleasure to have them so, and how easily and quickly they are handled! Others are folded twice or more, and take more time to straighten out; others are folded up into a wad or chunk having two or more unnecessary folds, and quite considerable time and patience are required to get them in shape to handle and read, and if the letter was damp from a letter-copying press, as is sometimes the case, the difficulty of opening it up is greatly increased. This last reminds one of the small boy who steps up to the counter and tosses at you a chunk of paper about the size of a walnut, and says laconically, 'Change?' and you feel about that letter a good deal like you do when waiting on that boy.

And then we have a batch of checks, etc., of nearly uniform size—thanks to Assistant Cashier Brown, of the First National Bank of Chicago—but many of them are crumpled,

messed up, and annoying to handle; and a batch of letters—well, they are of a variety that would be amusing were it not for the fact that you must endure them—something like this:

4½ x 12	5½ x 8	5¾ x 6½	6 x 6
4½ x 7	5½ x 8¼	5¾ x 8½	6 x 8
3 x 9½	5½ x 8½	5¾ x 9	6 x 9
3¾ x 6¼	5½ x 9¼	5¾ x 9¼	6 x 9½
5 x 9½	5½ x 10½		6½ x 10½

These being of sizes smaller than letter size, and the following of letter sizes:

7¾ x 9½	8 x 10
7½ x 8½	8 x 10½
7¼ x 9½	9 x 11
	9½ x 12

And there are others running as small as 3 x 3½.

I have put together here a sample of each of these sizes, so that you may see how badly they commingle and how difficult to handle, and thus have an ocular demonstration that such a variety of sizes cannot be productive of comfort and sweet temper with the recipient, and, as well, a potent visible argument in favor of uniform sizes. I think your ingenuity would be sorely tried to file away such a motley lot of papers in any cabinet or otherwise, and taxed beyond its capacity to devise any filling cabinet that could fit them all.

And we also have a batch of postal cards, slips of advice and acknowledgment or inquiries, but these are all flat and nearly the size of postal cards.

What next?

In checking up the letters we find that some use one sheet of paper for cash items only, another sheet for collections only, another sheet for returned items only, another sheet for special inquiries or special correspondence, and these sheets all the same size; also a postal card or a slip of the same size for acknowledging the receipt of letters, another for advising credits (which are conveniently used as a slip for the bookkeeper's use), another with inquiry for missing letters or missing advices. How easily that works and how comfortably! Each of these goes to its special department, and all goes smoothly.

But there are others, I am sorry to relate. Some have used one sheet of paper only for all these purposes, and have even listed checks, collections, returned items, etc., all right along, one after the other, leaving you to unravel them the best you can. Another, who particularly desires and specially instructs that his collections, when paid, shall be reported to him by number, which number is clearly set out in his letter, along with the amount of the collection, fails completely to insert the name of the payer by which you might identify it, and you must grab your pencil and insert the name (which he ought to have done), otherwise his letter is valueless in your hands, in case tracing of the item becomes necessary after the letter and the item become separated. Then, some use a copying-press, and use it badly, and fold their letter before it is dry—result, a badly blurred letter, almost illegible; and you must make another grab for your pencil and clear up the figures on the letter, or, what occurs oftener, must make an entire new list from the checks. And these are some of the things we have no right to impose upon our correspondents.

But this is not all. Acknowledgments of the receipts of letters, which your corresponding clerk or yourself must check off, are contained in all sorts of places, no uniformity at all—sometimes on a postal or slip to itself (and that is the good way), sometimes on a letter that your bookkeeper or collection clerk wants to use at the same time your corresponding clerk wants it, and frequently in out-of-the-way places where you are apt to overlook it. And the same thing prevails with advice of credits, which have to be written off, and in this case a ticket from which to make proper debit and credit must be made for the bookkeeper. Again, some write almost illegibly and use a copying press for their copy record, and fold the letter while damp and blur the writing so that it can hardly be deciphered.

And, finally, the corresponding clerk wants to stamp on the letter the date of receipt, the fact that it has been examined, and that it has been answered. There is no space reserved for this, and he must hunt out a blank spot wherever he can find it.

These are only some of the cases that occur almost every day, and I want to say particularly that I do not mention these as cases for you to correct in every case, or that appear in correspondence with Maryland banks exclusively. They do not. I refer as well to correspondence from other States; New York, and some of its big banks, too; and I trust that what I have to say will reach beyond the confines of the State of Maryland, and will prove as interesting to banks generally, and to the mercantile community likewise, as it will to you, and may become seed sown upon fertile soil, bearing abundant fruit there, along with the good crop that Maryland will yield.

What office does a letter from bank to bank perform? What are its functions?

Checks, notes and drafts might be simply enclosed in an envelope without any letter, addressed to the bank which the sender desires shall receive them, and the receiving bank would ordinarily know exactly what to do with them without any instructions whatever, provided it was certain who the sender might be. This sounds like an odd proposition, but in our bank we have actually had some cases of exactly that sort. In such case, however, endorsement would be the only clue to ownership. That omitted, as it sometimes is, the receiver would be entirely 'at sea with his rudder lost.' There can be no question of the careless and unbusiness-like method this would be, if generally indulged in. There would be a constant state of uncertainty of ownership of the items sent out, track of them might soon be lost, and such a loose method would quickly result in utter confusion.

An accompanying letter performs the first important function of establishing by its record the ownership of enclosures, and besides this, certifies to the number of items enclosed, their character and their amounts, and when special instructions contrary to the ordinary routine are to be given also enables this to be done.

From the sender, it is practically a way-bill, nothing more, but it becomes a valuable record, when copied, of the items enclosed, and to whom sent, and is the foundation, so to speak, from which other transactions and records spring.

To the recipient, it is the authentic record of the items received, their number and amount, and the official authority to act where special instructions are given. It is the basis of the original entries on the books of the recipient, for the credit or debit of the sender, and serves as the memorandum of such entries. It is a valuable record when it becomes necessary to seek for information relating to the matters therein contained. In short, it is practically a connecting link between banks, or the mercantile correspondents and banks doing business with each other.

It is very evident, then, that letters are of the highest importance, and a substitute for them would be difficult to devise. It is also clear that all letters received should be retained and carefully filed away, otherwise the bank parts with the chief and original record of the matters therein contained.

Letters, then, being both a convenience and a necessity, what chief characteristics should they bear to enable us to determine what system it might be well to recommend or adopt?

Uniformity in size of letter sheets is especially and primarily one of the essentials—desirable because of greater convenience in handling generally—in making up letters, in transmitting and in receiving; because office furniture would soon be made by desk manufacturers to suitably fit the sizes, and because the filing of letters would be vastly facilitated, not only in the handling, but also in the room occupied by your cabinet, its capacity in same space now occupied by the standard cabinets being nearly doubled.

I have observed that of all the letters received by our bank fully nine-tenths are of so-called note size, the letter size being still adhered to by few, and I assume that your experience is similar to ours. But note size is not of uniform dimensions. There is commercial note and packet note, which differ, and there are even different dimensions of each of them; and of the letter size a similar variety of dimensions obtains.

What, then, shall be the size of paper to be used to meet the requirements called for and at the same time satisfy the whim of the correspondent? What size will best fill the demand?

As already stated, fully nine-tenths of all letters received are of note sizes. Of these note sizes, those ranging from 5½ x 8½ inches to 6 x 9¼ inches are in the decided majority. The question seems to have worked itself out to that extent, and appears to demonstrate that if we keep within those bounds we shall decide about right. I suggest, therefore, that the size of 5¾ x 9 inches be settled upon as bankers' size, and that ordinary letters shall not be more than 6 x 9½ inches nor less than 5½ x 8½ inches. Then it would not be long before manufacturers would be building cabinets to take in readily, say, 6 x 9½ inch size and would be advertising bankers' cabinets for bankers' size letters.

Some might prefer to continue the use of letter size sheets, and for those I would suggest that the size be not less than 8 x 10 and not more than 9 x 11 inches; (8 x 10½ or 8½ x 11 is best because the paper generally used for this purpose cuts to these sizes without waste). The furniture maker could then furnish cabinets to carry drawers for both sizes combined, or the present standard size could be used for the letter size, and, with divided drawers, perhaps for both. And if occasional letters of letter size reach you they could be folded and filed with the bank size.

In using the letter sheets, I advocate that one sheet shall be used for cash items only, another for collections only, another for making remittances for collections only. And that another size, a postal card, or a slip of the same size as the postal card, say 3¼ x 5½ inches, be used for acknowledging receipt of letters and naming contents received, and separate slips for advising payment of collections; for making special inquiries for fate of collections; for fate of letters not checked off, etc. These could be filed along with letters, but much better in a cabinet devoted to them, of which I will speak presently. These letters and slips

can all be enclosed in the same envelope when mailed, and, when the envelope is opened, distributed to the departments to which they belong, thus facilitating materially the business of the bank.

Next, what about the form of letter?

This is not so material, and much latitude could be given to the fancy of the writer. Perhaps the most important idea on this point is that a large part of the printing could be left off or reduced in dimensions. There is no necessity whatever to use a letter size sheet and have one-half of it given up to specimens of the printer's or lithographic art—great big titles and illustrations of your bank building or some fanciful idea of the lithographer. Where this is done, the room for actual use is little greater than can be found on the bankers' size sheet. The letter being for use, and not for advertising purposes of either the bank, the printer, or the lithographer, the space for the name of the sender, the date, and to whom addressed, should take up little room, and so make the sheet available for many more items.

Whether the form shall be vertical or horizontal might be left entirely to the writer. One thing, however, which is not now made use of, ought to be provided for in the upper right-hand corner of the sheet, and that is a blank memorandum to indicate when received, to whom referred, and when answered, thus:

Received..
Referred to....................................
Answered.......................................

Or a blank space be left there of, say, 1 x 1½ inches, in which the receiver could enter his dates, etc. This would be a great convenience, and should be on every letter sheet containing enclosures or requiring a reply.

In preparing letters for the mail some banks use envelopes of commercial size only, say, 9 to 9½ inches long, so that enclosures may be placed in without folding and carrying flat, and a most excellent method it is, especially where the enclosures are numerous. Next in value to this is where the envelopes are wide enough to receive the enclosures, permitting one fold only; and third, where two folds only are made. The letter in each of those cases may be folded twice. Preparing letters and enclosures in one of these ways should be closely adhered to. The habit of folding too much and in too small space is especially to be avoided, for reasons already stated.

Another thing of importance is careful writing. It is not at all necessary that this should be like copperplate, but it is essential to your correspondents' convenience that your letter be clearly written, all figures distinctly set down, and special instructions carefully stated in full—all this to avoid mistakes and to save your correspondents' time.

It is generally the case that cash items are credited up in lump; that is, so many items with a total of so much. If no memorandum is made on the letter of the number of items, the bookkeeper must count them. This can be avoided and his work facilitated if the lines on the letter sheet be numbered—1, 2, 3, and so on—and one item entered so as to occupy one line only. And then, as he uses the total amount only, you should sum up the several amounts and set down the total, which serves to give information to your own as well as your correspondents' bookkeeper, who proves your work when your letter comes into his hands.

And now, about filing away after the day's work is done.

METHODS OF FILING CORRESPONDENCE.

It was formerly the case with many banks—and I would not be surprised if it were still so with many of them—that when letters are to be disposed of at the end of the day's work, they are laid away in a pile, to be tied up in a bundle when the month is completed, and in that shape stowed away. The form and style of that bundle may be conceived if composed of sheets of the variety of sizes brought to your attention to-day. To search in such a bundle for a letter wanted would be much like the proverbial needle in a haystack. I have had some of it in my experience, and I am ready to admit that I don't like it. I am prone to believe that those who still cling to that old-fashioned method are few and far between. And there were some who folded their letters carefully, and wrote on the back the name of the writer and the date. That, too, might be called old style, and could only prevail where letters are few in number. Where the bank officer has abundant time on his hands this might be a good way to keep him employed.

But both these methods are fast being relegated to the past. Where letters are sufficiently numerous, other methods must prevail, and so letter-filing cabinets have come into use and have been adopted in many banks, chiefly because there was nothing else to adopt. These cabinets were devised mainly for mercantile use, and are, therefore, planned to receive sheets of letter size standard size, as they are called. Their use for bank purposes was apparently not considered, and for that purpose they are not convenient, inasmuch as the drawers are

not of the right dimensions to properly receive the letters to be filed, and therefore there is much lost room.

When letters are of uniform size, or nearly so, it is plain that provision in a cabinet, or otherwise, is much more readily provided for than where the letter sheets differ much in size, and likewise that greater economy of space, which is sometimes quite valuable, can be secured. By the method I have proposed, if put into successful operation, we shall have practically three sizes only to be arranged for, namely: Letter size, 8½x11 inches; bankers' size, 6x9½ inches, and postal card size, 3¼x5½ inches, and having these only, we can arrange for a compact manner of doing so.

I saw at the Philadelphia National Bank a very simple plan of filing letters—economical as well as compact. The only objection I found to it was that letters, postal cards, slips—everything, in fact—from any given correspondent, all went into the one receptacle set aside for that bank. I much prefer using separate receptacles for letters and postal cards, especially where the contents of letters, etc., are separated, as we have proposed. This objection of mine is easily remedied by providing another set of receptacles of the convenient size for postal cards. That bank provided pasteboard boxes of cheap construction and of appropriate dimensions to receive the letters and of capacity for one year's business. These were ranged close to each other on shelves so built as to receive the box and leave a small space between it and the shelf above it. The name of a bank on the exposed end of the box indicated what letters, etc., were to go into it. The lid of the box is taken off and placed on the bottom of the box—and there you are, ready for action. Filing is accomplished by dropping into the appropriate boxes the letters belonging to that box, and is easily and quickly done. At the end of the year the lid is put on top of the box, when it is ready to stow away without more ado, and a new box takes the place on the shelf. That is all there is of it, and a very compact and convenient plan it is.

At our bank we have a neat cabinet, built especially for us, which has 108 drawers, open at the sides, and capable of holding sheets up to 6x9½ inches. It occupies about one-half the room that a standard size cabinet would occupy, affording the same facilities. Letters are easily and quickly filed by dropping into the appropriate drawer, drawn out a little for the purpose, each drawer being labeled with the name of a correspondent, or the names of States, where the correspondents are rare in that locality. This, you will observe, is much the same as the Philadelphia National Bank uses, but is slightly more compact and presents in your office a little neater appearance. When the drawers are filled the contents are emptied and placed in a transfer case, labeled with the name of the bank and the year, and stored away in regular order where they can be quickly found and handled. For postal cards and slips of same size we have provided a pigeon-hole case, carrying No. 1 boxes, with a drop front. A slot in the upper edge of the front furnishes a place through which the cards are filed without removing the box. When filed, the cards are removed, tied up, and stowed away. These letter and card cabinets and transfer cases have proved eminently satisfactory to us, and we do not hesitate to recommend them to you.

Other plans may suggest themselves to you, and it matters not what one you may decide to use. That is a matter for yourself alone, and you can make it as elaborate or as simple as your fancy dictates, without inconvenience to anyone but yourself.

And now to summarize:

Use for your current letters sheets of bankers' size, 5¾x9 inches, or of a size not less than 5½x8½ inches, nor more than 6x9½ inches; or, if letter size be preferred, not less than 8x10 inches, nor more than 9x11 inches.

Use for acknowledgments, advices and inquiries, postal cards, or slips of rather stiff paper of the same size, say 3¼x5½ inches.

In printing your letters or slips, print vertically or horizontally, as you prefer, but occupy as little space as possible for the printing, and leave a blank space in the upper right-hand corner, or provide there for memorandum of the date of receipt and answer.

Use separate sheets for cash items, for collections, and for making remittances for paid collections, and for reports on accounts current, or for special correspondence.

Use separate postal cards or slips for acknowledgments, for advice of credits, for tracing missing letters or missing advices.

Our bank has not yet adopted all of these, but when our stationery requires replenishing I propose to conform to these ideas, and venture the hope that I shall not be alone in doing so. The reform, once begun, will spread, and in time we shall certainly feel its beneficent effects.

When we have done this we shall not have reached the millennium, but we shall have taken one step toward it."

BANKERS' ASSOCIATION OF ILLINOIS.

The bankers of Illinois held their annual convention at Peoria September 29 and 30, Homer W. McCoy presiding.

In his annual address President McCoy said:

"Prosperous times following periods of financial depression bring a plethora of money and low interest rates, and these are conditions under which bad loans creep into the banks if at all. We have passed through just such a period the last two or three years and after the present crop movement is over it is likely to continue for a time at least.

Many a bank manager has, in his anxiety to make his idle funds above the usual reserve earn something for his stockholders and to find an investment without delay, made loans without the keen discriminating judgment which he is wont to exercise under normal conditions. This is particularly true where the bank is under the stress of paying high rates of interest on deposits. Haste makes waste. Better smaller dividends to stockholders or none at all than to be driven into making loans under pressure and without deliberate and thorough investigation. Well-selected commercial paper made by outside borrowers is in the nature of a secondary reserve for the so-called 'country bank.' It can depend upon the payment of this paper as it matures and the proceeds used to care for the requirements of local borrowers or depositors, but it sometimes happens that so-called 'outside paper,' hurriedly bought without proper investigation, proves to be 'inside paper' and, in fact, stays inside your wallet until charged to profit and loss account."

Hon. Charles G. Dawes, ex-Comptroller of the Currency and President of the Central Trust Company of Illinois, Chicago, spoke in favor of an emergency circulation.

Resolutions were adopted declaring against asset currency, branch banking and the Fowler bill.

S. R. Flynn, President of the National Live Stock Bank, Chicago, read a paper on "The National Bank Examiner—His Past, His Present, His Future," and Bishop Spalding of Peoria delivered an address on "The Responsibility of the Banker in His Community."

New officers were chosen as follows: President, Andrew Russell, of Jacksonville; vice-president, Wm. George, of Aurora. Frank P. Judson, of Chicago, was re-elected secretary.

Next year's convention will be held at Rock Island.

New York State Banks.—Report of condition at the close of business on Saturday, September 6, 1902.

Resources.		Liabilities.	
Loans and discounts, less due from directors	$217,779,773	Capital	$26,715,700
Liability of directors as makers	7,303,078	Surplus fund	19,629,616
Overdrafts	172,637	Undivided profits	10,181,402
Due from trust companies, banks, bankers and brokers	28,723,381	Due depositors on demand	244,345,629
Real estate	10,624,966	Due to trust companies, banks, bankers and brokers	35,535,025
Mortgages owned	4,137,257	Due savings banks	12,573,330
Stocks and bonds	25,472,772	Due the Treasurer of the State of New York	1,732,105
Specie	25,625,191	Amount not included under any of the above heads	1,003,069
U. S. legal tenders and circulating notes of National banks	14,463,319	Add for cents	308
Cash items	15,619,187		
Assets not included under any of the above heads	1,793,989		
Add for cents	634		
	$351,716,184		$351,716,184

BANKING AND FINANCIAL NEWS.

This Department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—The new Thirty-Fourth Street National Bank opened for business at 21 West Thirty-fourth street October 6, with $400,000 capital and surplus. Bradford Rhodes is President and Curtis J. Beard, Cashier. Until his election to this position Mr. Beard was discount clerk in the Fifth Avenue Bank. He is the nineteenth man trained in this bank who in recent years has been chosen to fill an important office in other banks. Among those who have gone from the Fifth Avenue to other city banks may be mentioned: Wm. H. Porter, Vice-President Chemical National Bank; James G. Cannon, Vice-President Fourth National Bank; Samuel Woolverton, President Gallatin National Bank; H. M. Kilborn, Cashier National City Bank; H. H. Swasey, Secretary Guardian Trust Co.; W. M. Clark, Cashier Bank of Washington Heights; S. S. Campbell, Assistant Cashier Merchants' National Bank; John Sage, Assistant Cashier Bank of America, and Oliver I. Pilat, Assistant Cashier Western National Bank.

—John A. Hiltner, Vice-President of the National Shoe and Leather Bank, was recently elected Cashier, and will hereafter perform the duties of both offices. On September 15 the total resources of the bank were $7,500,000—the highest figures ever reported.

—Wm. H. McIntyre fourth vice-president of the Equitable Life Assurance Society is a new director of the Mercantile Trust Company.

—It is expected that the new Windsor Trust Company will begin business about October 15 in the Windsor Arcade, Fifth avenue and Forty-seventh street.

—J. Astley Griffin has been chosen Assistant Secretary of the Fifth Avenue Trust Company. Mr. Griffin has been loan clerk of the City Trust Company since its incorporation. Prior to that he was paying teller of the Kings County Trust Company.

—The half-yearly report of the Hong Kong and Shanghai Banking Corporation for the six months ended June 30 shows the net profit for that period, including $1,438,248.07 balance brought forward from last account, after paying all charges, deducting interest paid and due, and making provision for bad and doubtful accounts, amounts to $3,557,618.92. The sum of $500,000 was transferred from the profit and loss account to credit of the silver reserve fund, which stands at $4,750,000. There was written off bank premises account $200,000. After making these transfers and deducting remuneration to directors there remained for appropriation $2,842,618.92, out of which the directors recommended the payment of a dividend of one pound and ten shillings sterling per share, which at 4s 6d absorbed $533,333.33. The difference in exchange between 4s 6d, the rate at which the dividend is declared, and 1s 8½d, the rate of the day, amounted to $871,544.71. The balance, $1,437,740.88, was carried to new profit and loss account.

The condensed balance sheet as of June 30 shows total assets of $271,360,329, of which $44,575,003 was in cash, aside from $5,500,000 deposited with the Hong Kong Government against note circulation in excess of $10,000,000. Bullion in hand and in transit amounted to $10,129,881, securities to about $12,500,000, sterling reserve fund investments $10,000,000, bills discounted, loans and credits $88,503,155, bills receivable $99,322,108. Among the leading items of the liabilities are current accounts of some $108,500,000, bills payable of $28,178,424, and fixed deposits of $92,002,985. The profit and loss account on June 30 was $3,557,619.

—On September 22 William J. Gilpin, Assistant Manager of the New York Clearing-House, returned to his duties after an absence of nearly four months on account of an attack of typhoid fever. During his absence Mr. Gilpin, on August 8, completed twenty-five years' service in the employ of the clearing-house, and his associates in the institution commemorated the occasion by presenting a handsome silver loving-cup to him as a mark of their esteem. Mr. Gilpin entered the clearing-house at the age of sixteen. He has been Assistant Manager for the last ten years, and has always been very highly thought of by the successive clearing-house committees, and particularly by the loan committee, at the head of which was the late Frederick D. Tappen.

—Owing to the recent action of Secretary Shaw in waiving the twenty-five per cent. reserve against deposits of Government funds in National banks in certain instances, the form of the weekly bank statement will have to be changed. William A. Nash, chairman of the clearing-house committee, has issued a circular to the members of the clearing-house enclosing a form which will be employed in rendering statements of the weekly averages of loans, deposits, etc. This form is as follows:

Average amount of loans and discounts........	———
Average amount of specie........	———
Average amount of legal-tender notes........	———
Average amount of deposits other than United States........	———
Average amount of United States deposits........	———
Average amount of circulation........	———

—Cornelius P. Rosemon, Cashier for Messrs. Blair & Co., since 1890, has resigned his position with that firm to engage in business on his own account. He has opened offices at 33 Wall street, and will conduct a general domestic and foreign banking business.

—James Stillman, President of the National City Bank, was chosen to succeed George F. Baker as President of the clearing-house association at the annual meeting on October 7.

—At a meeting of the board of trustees of the Fifth Avenue Trust Company, October 1, Frederic Cromwell, treasurer of the Mutual Life Insurance Company, was elected a trustee of the company to fill a vacancy caused by the recent death of Samuel D. Babcock.

—A branch of the Nassau Trust Company, of Brooklyn, will be established at Red Hook Lane and Fulton street.

—It is announced that the Title Insurance Company, of Brooklyn, has been merged with the Lawyers' Title Insurance Company of New York, and that the capital of the latter has been increased from $2,000,000 to $3,500,000.

—A new branch of the Brooklyn Bank has been opened on Fulton street, opposite Flatbush avenue.

—Stockholders of the Jefferson Bank have approved the increase of the capital from $200,000 to $400,000 and the surplus from $50,000 to $110,000.

—The stock of the Title Guarantee and Trust Company has been increased from $2,500,000 to $4,000,000.

—James C. De Lacy is a new director of the New York National Exchange Bank.

—The directors of the Seventh National Bank have passed a resolution advising an increase of the capital by $800,000, to $2,500,000. A meeting of the stockholders has been called for October 21 to ratify this proposition. Stockholders of record will receive nearly fifty per cent. of their present holdings at par.

—On September 23 the new Consolidated National Bank opened for business at 57 Broadway, with $1,000,000 capital and $1,000,000 surplus. Willis S. Paine, former Bank Superintendent, is President; Mortimer H. Wagar, Vice-President; Thomas Lewis, Cashier, and James Thorne, Assistant Cashier.

NEW ENGLAND STATES.

Boston.—Charles F. Swan, Cashier of the New England National Bank since 1872, and connected with the institution for fifty-five years, recently resigned. He is succeeded by Arthur C. Kollock, formerly Assistant Cashier, and who has been in the bank's service for thirty-eight years.

MIDDLE STATES.

Bank Capital Increased.—At a recent meeting of the shareholders of the Allentown (Pa.) National Bank it was voted to increase the capital from $500,000 to $1,000,000.

Change of Bank Title.—The Monessen (Pa.) National Bank announces that it has changed its title to the First National Bank of Monessen.

Philadelphia.—Receiver George H. Earle, Jr., of the Chestnut Street National Bank—which failed in 1897—recently paid a dividend of thirty per cent., making a total of ninety per cent. thus far paid. It is said that creditors will finally be paid in full.

—George H. Wiggins has been elected Assistant Cashier of the Southwestern National Bank.

Baltimore.—A four-story extension is to be added to the Commercial and Farmers' National Bank.

Pittsburg.—A recent issue of "The Banker" says: In 1900 for the first time the deposits of Pittsburg's National banks crossed the $100,000,000 mark. In July this year they

exceeded $134,000,000. Since 1896 they have more than trebled. In the amount of total deposits St. Louis now stands where Pittsburg stood at the beginning of last year. In the latter year Pittsburg led St. Louis by $10,000,000 Now it leads its western rival by $22,000,000, but in percentage of gain St. Louis leads six chief cities, both in the item of deposits and loans and discounts. Pittsburg, however, has made a larger percentage of gain in these items than New York, Boston, Philadelphia or Chicago.

Chicago continues to strengthen its position as second in the list of National banking cities. It took this rank in 1900, and has so far outstripped Boston and Philadelphia that it is not likely to be overtaken. It may be interesting to note that the National banks of Chicago now report larger total deposits than the National banks of New York reported in 1875, a statement eloquent of the growth of the western metropolis. A still more striking fact, however, is that the total deposits of the National banks of Pittsburg are to-day approximately as large as the total deposits of the National banks of Philadelphia five years ago. Between the years 1895 and 1902 Pittsburg was the only city of the six [given below] that shows an increase in the number of National banks organized, all the others reporting a decrease. This increase here was coincident with an extraordinary increase in the organization of new trust companies, one of which, less than a year in existence, reports deposits exceeding $13,000,000.

The percentage of increase in deposits and loans and discounts during the period from October, 1895, and July 1902, may be summarized as follows:

	Deposits. Per cent.	*Loans.* Per cent.
New York	112.08	70.39
Boston	26.41	5.68
Philadelphia	89.03	54.22
Chicago	133.89	94.41
Pittsburg	206.90	142.85
St. Louis	248.24	160.98

—The Fidelity Title and Trust Co. will increase its capital from $1,000,000, to $2,000,000, adding to the surplus account $3,000,000 of the premium received from the sale of the shares at $400.

—Merchants in the down-town business section are organizing the Fifth Avenue National Bank with $500,000 capital.

—A new building is to be put up immediately for the exclusive use of the Third National Bank. The structure will be built of brick and stone and will be two stories high.

SOUTHERN STATES.

Atlanta, Ga.—The Maddox-Rucker Banking Company recently moved into its new banking rooms at Alabama and Broad streets. These new quarters afford ample space for the bank's largely increased business, and are fitted up with the latest equipments for insuring convenience and safety.

The bank was established in 1880 and incorporated in 1891. Its officers are: President W. L. Peel; Vice-President, R. F. Maddox; Cashier, Thomas J. Peeples; Assistant Cashier, Geo. A. Nicholson.

—At the annual election of the Atlanta Clearing-House Association, September 9, John K. Ottley, Cashier of the Fourth National Bank, was elected President of the association.

Augusta, Ga.—A fine building has just been completed for the Georgia Railroad Bank.

Beaumont, Tex.—A. D. Childress recently resigned as secretary of the Beaumont Oil Exchange and Board of Trade to accept a position as Cashier of the Citizens' National Bank. This bank's surplus and profits have been increased lately from $20,000 to $25,000. Although paying no interest on deposits, this item now amounts to over $800,000.

WESTERN STATES.

Chicago.—Charles O. Austin, Cashier of the Mechanics' National Bank, St. Louis, has accepted a position as Vice-President of the National Bank of North America. Mr. Austin was formerly a bank examiner in Missouri, is President of the Missouri Bankers' Association and a former vice-president of the American Bankers' Association.

—Stockholders of the Garden City Banking and Trust Company have approved an increase in the capital to $750,000. The new stock will be sold at a price that will add $25,000 to the surplus.

—A. M. Day, of Counselman & Day, will retire from the firm on November 1. Business will be continued by the remaining members of the firm.

—Plans are being prepared for a sixteen-story building for the Continental National Bank. It will be erected at the southwest corner of La Salle and Adams streets, and will cost about $4,000,000.

West Superior, Wis.—The Northwestern National Bank has consolidated its business with the First National Bank, giving the consolidated bank larger deposits than ever before reported by any bank here. D. H. Twohy, President of the Northwestern National, was elected a director and first Vice-President of the First National. W. J. Kommers and W. J. Smithson, of the Northwestern National, were also added to the official staff of the First National.

Cincinnati, Ohio.—Edward Seiter was recently elected Cashier of the Fifth National Bank, to fill the vacancy caused by the resignation of T. J. Davis. Monte J. Goble, formerly Cashier of the Big Sandy National Bank, Catlettsburg, Ky., was elected Assistant Cashier.

—T. J. Davis succeeds W. S. Rowe as Cashier of the First National Bank.

Indiana Bank Reorganized.—The plan to establish the Farmers and Merchants' National Bank of Huntington, Ind., has been abandoned, the promoters effecting the purchase of the First National of that city on the basis of 160 for the stock. They obtain a large majority of the $100,000 capital. The bank has a surplus of $40,000 and deposits of $400,000. Wm. McGrew was President and his daughter, Sarah F. Dick, Cashier. Mr. McGrew had been connected with banking interests at Huntington for forty years, and Mrs. Dick had been Assistant Cashier and Cashier of the bank for thirty-one years.

The new officers who take possession are: President, I. H. Heaston; Vice-President, Charles McGrew; Cashier, John Emley; directors—I. H. Heaston, Charles McGrew, A. L. Beck, D. A. Purviance, F. E. Wickenhiser, H. E. Rosebrough, A. C. Wilkerson, Patrick Gorman and John A. Glenn.

Toledo, Ohio.—At the annual meeting of the shareholders of the Dime Savings Bank Company, held September 10, it was decided to increase the capital from $100,000 to $200,000. This is the second increase to be made since the company was organized, the original capital having been $50,000. Hereafter the annual meeting of shareholders will be held in January. Robert V. Hodge, who has been Acting Cashier for some time, was elected Cashier.

—A new building is to be erected by the First National Bank.

St. Louis.—It seems that the plan of charging for collecting country checks, which has been in operation here for several years, is not wholly satisfactory to all interests, as it is reported that the credit men of the city are agitating for the adoption of the plan followed in Boston.

—The past season has been the most active ever experienced by the banks of this city. Reports recently made show large gains, especially in deposits, circulation and profits.

Milwaukee, Wis.—Stockholders of the Wisconsin National Bank have voted to increase the capital stock and the surplus by selling $500,000 worth of stock to the present shareholders *pro rata* at $150 a share. This amounts to an increase of the capital stock from $1,000,000 to $1,500,000, and the surplus and undivided profits to $788,000, making the aggregate of the capital, surplus and the undivided profits $2,288,000.

PACIFIC SLOPE.

Portland, Ore.—It is reported that the Ainsworth National and United States National banks of Portland, whose combined resources are nearly $2,500,000, are to be merged, the stockholders of the Ainsworth purchasing the stock of the United States Bank. It is said the name United States National Bank will be retained.

CANADA.

Toronto.—Alex. Laird, of Laird & Gray, New York agents of the Canadian Bank of Commerce, has been appointed Assistant General Manager of the bank with headquarters in this city.

Failures, Suspensions and Liquidations.

Georgia.—The Putnam County Banking Company, of Eatonton, has gone into liquidation. This step was taken on account of large and heavy withdrawals of deposits. It is thought the bank will be able to meet all claims in a short time. Liabilities are about $72,000.

Kansas.—On September 18 the Cimarron State Bank was closed by a State bank examiner. Deposit liabilities are about $45,000. This is the first bank failure in Kansas since May, 1901.

New York.—The New York State Banking Company, of Syracuse, organized in 1852, suspended September 18. At the date of the last reports deposits exceeded $500,000.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report. Names of officers and other particulars regarding these new National banks will be found under the different State headings.

National Banks Organized.

6397—First National Bank, Starkweather, North Dakota. Capital, $25,000.
6398—First National Bank, Ellendale, North Dakota. Capital, $25,000.
6399—First National Bank, Barton, Maryland. Capital, $25,000.
6400—Athens National Bank, Athens, Texas. Capital, $25,000.
6401—First National Bank, Twin Valley, Minnesota. Capital, $25,000.
6402—First National Bank, Crowell, Texas. Capital, $25,000.
6403—German-American National Bank, Shawano, Wisconsin. Capital, $25,000.
6404—First National Bank, Gunter, Texas. Capital, $30,000.
6405—Bates National Bank, Butler, Missouri. Capital, $50,000.
6406—City National Bank, South McAlester, Indian Territory. Capital, $50,000.
6407—First National Bank, Crary, North Dakota. Capital, $25,000.
6408—New Haven National Bank, New Haven, Pennsylvania. Capital, $50,000.
6409—Clark County National Bank, Clark, South Dakota. Capital, $25,000.
6410—Odessa National Bank, Odessa, Texas. Capital, $25,000.
6411—First National Bank, Mount Union, Pennsylvania. Capital, $25,000.
6412—First National Bank, Westbrook, Minnesota. Capital, $25,000.
6413—First National Bank, Minneota, Minnesota. Capital, $30,000.
6414—Cherokee National Bank, Tahlequah, Indian Territory. Capital, $25,000.
6415—National Bank of Wilber, Wilber, Nebraska. Capital, $25,000.
6416—State National Bank, Shawnee, Oklahoma. Capital $100,000.
6417—Merchants' National Bank, Sauk Centre, Minnesota. Capital, $25,000.
6418—Welsh National Bank, Welsh, Louisiana. Capital, $25,000.
6419—Citizens' National Bank, Monticello, Kentucky. Capital, $25,000.
6420—First National Bank, Finleyville, Pennsylvania. Capital, $25,000.
6421—First National Bank, Tremont, Illinois. Capital, $25,000.
6422—First National Bank, Mabank, Texas. Capital, $25,000.
6423—Citizens' National Bank, Joliet, Illinois. Capital, $100,000.
6424—First National Bank, West Union, West Virginia. Capital, $50,000.
6425—Consolidated National Bank, New York, New York. Capital, $1,000,000.
6426—American National Bank, San Francisco, California. Capital, $500,000.
6427—National City Bank, New Rochelle, New York. Capital, $100,000.
6428—First National Bank, New Salem, North Dakota. Capital, $25,000.
6429—Second National Bank, Minot, North Dakota. Capital, $25,000.
6430—First National Bank, Deport, Texas. Capital, $25,000.
6431—Security National Bank, Albert Lea, Minnesota. Capital, $50,000.
6432—First National Bank, Toledo, Iowa. Capital, $50,000.
6433—First National Bank, Mitchell, Indiana. Capital, $25,000.
6434—First National Bank, Stanton, Iowa. Capital, $25,000.
6435—First National Bank, Radcliffe, Iowa. Capital, $50,000.
6436—First National Bank, Rushford, Minnesota. Capital, $25,000.
6437—First National Bank, Brush, Colorado. Capital, $25,000.
6438—Citizens' National Bank, Tunkhannock, Pennsylvania. Capital, $50,000.
6439—First National Bank, Tombstone, Arizona. Capital, $25,000.
6440—Farmers and Merchants' National Bank, Matawan, New Jersey. Capital, $75,000.
6441—Thirty-Fourth Street National Bank, New York, New York. Capital, $200,000.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice:

Farmers' National Bank, Grayville, Illinois; by Edwin P. Bowman, *et al.*
First National Bank, Enderlin, North Dakota; by A. L. Ober, *et al.*

Imperial National Bank, Chicago, Illinois; by W. W. Bell, *et al.*
First National Bank, Aroseau, Minnesota; by A. Sampson, *et el.*
First National Bank, Belle Fourche, South Dakota; by D. R. Evans, *et al.*
Citizens' National Bank, Paris, Illinois; by James D. Barr, *et al.*
National Bank of Commerce, Mankato, Minnesota; by Albert O. Oleson, *et al.*
Security National Bank, Albert Lea, Minnesota: by Geo. Stickney, *et al.*
First National Bank, McIntosh, Minnesota; by W. S. Short, *et al.*
First National Bank, Dryden, New York; by Geo. E. Monroe, *et al.*
First National Bank, New Cumberland, West Virginia; by John A. Campbell, *et al.*
Ithaca National Bank, Ithaca, Michigan; by John J. Pellett, *et al.*
Texas National Bank, Dallas, Texas; by Geo. W. Riddle, *et al.*
Ravenna National Bank, Ravenna, Ohio; by Chas. Merts, *et al.*
First National Bank, Clinton, Indiana; by L. A. Whitcomb, *et al.*
City National Bank, Duluth, Minnesota; by A. R. Macfarlane, *et al.*
Cannon Falls National Bank, Cannon Falls, Minnesota; by A. L. Ober, *et al.*
First National Bank, Bloomfield, Nebraska; by T. A. Anthony, *et al.*
First National Bank, Page, North Dakota; by L. B. Hanna, *et al.*
First National Bank, Prairie du Chien, Wisconsin; by Eugene C. Amann, *et al.*
First National Bank, Bridgeville, Pennsylvania; by S. C. Cover, *et al.*
First National Bank, Pleasantville, New Jersey; by J. B. Thompson, *et al.*
First National Bank, Farmland, Indiana; by H. D. Good, *et al.*
First National Bank, Portland, North Dakota; by J. G. Halland, *et al.*
First National Bank, Youngwood, Pennsylvania: by John W. Scott, *et al.*
Woods-Rubey National Bank, Golden, Colorado; by J. W. Rubey, *et al.*
First National Bank, Boynton, Indian Territory; by A. C. Trumbo, *et al.*
Boynton National Bank, Boynton, Indian Territory; by B. A. Randle, *et al.*
First National Bank, Dolgeville, New York; by Chas. S. Millington, *et al.*
First National Bank, Cottonwood, Minnesota; by Chas. Catlin, *et al.*
Citizens' National Bank, Groesbeck, Texas; by C. S. Bradley, *et al.*
First National Bank, Fort Gibson, Indian Territory; by F. H. Nash, *et al.*
National Bank of De Pere, De Pere, Wisconsin; by A. G. Wells, *et al.*
First National Bank, Ridgeway, Missouri; by B. M. Fress, *et al.*
First National Bank, Broadway, Virginia; by D. F. Geil, *et al.*
First National Bank, Mountain Home, Idaho: by G. W. Fletcher, *et al.*
First National Bank, Colquit, Georgia; by C. C. Bush, *et al.*
Sandy Hill National Bank, Sandy Hill, New York; by Charles T. Beach, *et al.*
Georgia National Bank, Athens, Georgia; by Jno. J. Wilkins, *et al.*
Madison National Bank, Madison, West Virginia; by S. M. Croft, *et al.*
First National Bank, Webster, West Virginia; by Geo. C. Dunton, *et al.*
First National Bank, Marlinton, West Virginia; by E. H. Smith, *et al.*
Farmers' National Bank, Edinburg, Indiana; by Horace V. Goodrich, *et al.*
First National Bank, Anaheim, California; by C. E. Holcomb, *et al.*

APPLICATION FOR CONVERSION TO NATIONAL BANKS APPROVED.

Richland County Bank, Butler, Missouri; into First National Bank.
Merchants' State Bank, Wimbledon, North Dakota; into First National Bank.
Bank of Biloxi, Biloxi, Mississippi; into First National Bank.

NEW BANKS, BANKERS, ETC.

ARIZONA.

TOMBSTONE—First National Bank; capital, $25,000; Pres., M. D. Scribner; Cas., T. R. Brandt.

CALIFORNIA.

SAN FRANCISCO—American National Bank (successor to American Bank and Trust Co.); capital, $500,000; Pres., P. E. Bowles; Cas., Jas. J. Fagan.

COLORADO.

BRUSH—First National Bank (successor to Bank of Brush); capital, $25,000; Pres., Converse E. Harris; Cas., W. Etna Smith.

FLORIDA.

LAKELAND—State Bank (removed from Fort Meade): capital, $15,000; Pres., Warren Tyler; Cas., Edw. O. Flood.

GEORGIA.

HAMPTON—Bank of Hampton; capital, $25,000; Pres., W. P. Wilson; Cas., J. O. Norris; Asst. Cas., T. E. Mauldin.

PELHAM—Farmers' Bank; capital, $50,000; Pres., J. L. Hand; Cas., B. M. Curry.

IDAHO.

NEZ PERCE—Farmers and Merchants' Bank.

ILLINOIS.

CARTHAGE—Dime Savings Bank of Sharp & Berry Bros.

CLARENCE—Bank of Clarence; capital, $6,500; Pres., C. J. Moyer; Cas., J. W. Moyer.

GRIGGSVILLE—Illinois Valley Bank; capital, $25,000; Pres., Abel Dunham; Cas., F. H. Farrand.

JOLIET—Citizens' National Bank; capital, $100,000; Pres., Cyrus W. Brown; Cas., Wm. G. Wilcox.

LITCHFIELD—Litchfield Bank and Trust Co. (successor to M. M. Martin & Co.); capital, $100,000; Pres., D. O. Settlemire; Cas., Charles E. Morgan.

SOUTH CHICAGO—South Chicago Savings Bank; capital, $200,000; Pres. E. J. Buffington; Vice-Pres., A. G. Ingraham; Cas., Warren W. Smith.

TREMONT—First National Bank; capital, $25,000; Pres., Louis A. Buchner; Cas., G. F. Hillman.

INDIANA.

BLOOMINGDALE—Bank of Bloomingdale.

COATESVILLE—Coatesville Bank; Pres., W. T. Beck; Cas., James M. Reeds.

MITCHELL—First National Bank; capital, $25,000; Pres., Wm. A. Holland; Cas., Walter W. Burton.

INDIAN TERRITORY.

SOUTH MCALESTER—City National Bank; capital. $50,000; Pres., E. N. Allen; Cas., Frank Craig.

TAHLEQUAH—Cherokee National Bank; capital, $25,000; Pres., R. C. Fuller; Cas., C. B. Reiney.

IOWA.

GAZA—Bank of Gaza; capital, $10,000; Cas., C. F. Reifsteck.

HALFA—Bank of Halfa; Cas., F. C. Henningsen.

MACKSBURG—Macksburg Bank; capital, $10,000; Pres., L. W. McLennan; Cas., O. E. Klingaman.

NEVADA—People's Savings Bank; capital, $25,000; Pres., R. A. Frazier; Cas., H. B. Craddick.

RADCLIFFE—First National Bank; capital, $50,000; Pres., Wm. Wiemer; Vice-Pres., F. Stukenberg; Cas., C. G. Wiemer.

STANTON—First National Bank; capital, $25,000; Pres., C. W. Swanson; Cas., J. S. Anderson.

TOLEDO—First National Bank; capital, $50,000; Pres., L. B. Blinn; Cas., W. A. Dexter.

KANSAS.

EASTON—Easton State Bank; capital, $5,000; Pres., W. L. Hines; Cas., F. M. Seward.

KANSAS CITY—Home State Bank; capital, $10,000; Pres., J. W. Hullinger; Cas., Bert Chronister.

THAYER—Farmers' State Bank (successor to the Forest Bank); capital, $10,000; Pres., D. T. Bearmore; Cas., J. W. Forest.

KENTUCKY.

MONTICELLO—Citizens' National Bank; capital, $25,000; Pres., A. Fairchild; Cas., Chas. McConnaghy.

LOUISIANA.

WELSH—Welsh National Bank (successor to Calkins, Spalding & Co.); capital, $25,000; Pres., L. Kaufman; Cas., W. W. Welsh.

MARYLAND.

BARTON—First National Bank; capital, $25,000; Pres., Samuel Brady.

MICHIGAN.

HANCOCK—Superior Trust Co.; capital, $75,000; Pres., C. A. Wright; Vice-Pres., Jacob Bawr; Sec. and Treas., M. C. Getchell.

MINNESOTA.

ALBERT LEA—Security National Bank; capital, $50,000; Pres., Charles H. Freeman; Cas., Geo. Stickney.

BEMIDJI—Lumbermen's State Bank (successor to Lumbermen's Bank); capital, $15,000; Pres., W. R. Baumbach; Cas., C. W. Baumback; Asst. Cas., A. H. Harris.

DEXTER—Bank of Dexter; capital, $25,000.

GRAND RAPIDS—First State Bank; capital, $10,000; Pres., W. R. Baumbach; Cas., S. M. Bolter.

HANSKA—State Bank; capital, $15,000; Pres., A. O. Ouren; Cas., Almer Ouren; Asst. Cas., N. J. Ouren.

MINNEOTA—First National Bank (successor to State Bank); capital, $30,000; Pres., John Swenson; Cas., Oscar L. Dorr.

RUSHFORD—First National Bank; capital, $25,000; Pres., Nathan P. Colburn; Cas., Niles Carpenter.

SAUK CENTRE—Merchants' National Bank; capital, $25,000; Pres., Henry Keller.

TWIN VALLEY—First National Bank; capital, $25,000; Pres., A. L. Hanson; Vice-Pres., A. H. Froshaug; Cas., C. E. Peterson.

WALTHAM—Bank of Waltham; Cas., Sam A. Rask.

WESTBROOK—First National Bank (successor to State Bank); capital, $25,000; Pres., J. W. Benson; Vice-Pres., John E. Nelson; Cas., J. A. Pearson.

MISSISSIPPI.

WEBB—Bank of Webb; Pres., Rowan Thayer; Vice-Pres., E. V. Cato; Cas., T. B. Abbey.

MISSOURI.

BLOOMFIELD—People's Bank; capital, $15,000.

BUTLER—Bates National Bank (successor to Bates County Bank); capital, $50,000; Pres., F. J. Tygard; Cas., J. C. Clark.

KANSAS CITY—Trust Co. of Kansas City; Sec., Geo. E. Bradley.

PECULIAR—Cass County Bank; capital, $10,000; Pres., J. M. Knight; Cas., Isaac Powell.

NEBRASKA.

ARCHER—Archer State Bank; Pres., J. B. Templin; Cas., C. Hostetter.

BEE—State Bank; capital, $5,000; Pres., H. F. Jones; Cas., W. B. Thorpe.

BRISTOW—American Exchange Bank; capital, $10,000; Pres., John Frostrom; Cas., D. N. Schmitz; Asst. Cas., Albin Olson.

CHAPMAN—Chapman State Bank; capital, $5,000; Pres., M. V. Scott; Cas., J. T. Engelhardt.

HARTINGTON—First State Bank; capital, $30,000; Pres., J. C. Robinson; Cas., W. S. Weston; Asst. Cas., J. Geo. Beste.

HOLSTEIN—First State Bank; capital, $10,000; Pres., A. L. Clarke; Vice-Pres., Geo. T. Brown; Cas., W. B. Hargleroad.

ITHACA—Farmers' State Bank (successor to Ithaca State Bank); capital, $5,000; Pres., G. F. Wagner; Cas., J. M. Hall; Asst. Cas., J. H. Mackprang.

SHOLES—Farmers' Bank; capital, $5,000; Pres., M. S. Merrill; Cas., Geo. D. Kneeland.

WILBER—National Bank of Wilber (successor to State Bank) capital, $25,000; Pres., Daniel B. Cropsey; Cas., Frank F. Gay.

NEW JERSEY.

MATAWAN—Farmers and Merchants' National Bank (successor to Farmers and Merchants' Bank); capital, $75,000; Pres., Henry S. Terhune; Cas., Charles H. Wardell.

NEW YORK.

HORNELLSVILLE—Bank of Steuben: capital, $50,000; Pres., Wm. Richardson; Cas., Chas. W. Etz; Asst. Cas., Wm. E. Pittenger.

MIDDLEPORT—F. Harvey Hoag.

NEW ROCHELLE—National City Bank)successor to City Bank); capital, $100,000; Pres., Henry M. Lester; Cas., G. P. Flandreaux.

NEW YORK—Thirty-Fourth Street National Bank; capital, $200,000; surplus, $200,000; Pres., Bradford Rhodes; Cas., Curtis J. Beard. —— Consolidated National Bank; capital, $1,000,000; Pres., Willis S. Paine; Vice-Pres., Mortimer H. Wagar; Cas., Thomas J. Lewis; Asst. Cas., James Thorne. ——Royal Bank; capital, $100,000; Pres., Philip Sugerman; Vice-Pres., Mark H. Sugerman; Cas., F. Cyrus Straat.

OVID—State Bank; capital, $25,000; Pres., P. D. Post; Cas., W. C. Howell.

NORTH DAKOTA.

CRARY—First National Bank; capital, $25,000; Pres., J. H. Smith; Cas., O. C. Sagmoen.

ELLENDALE—First National Bank (successor to Bank of F. B. Gannon & Co.); Pres., F. B. Gannon; Cas., Benjamin R. Crabtree.

MINOT—Second National Bank (successor to Great Northern Bank); capital, $25,000; Pres., Joseph Roach; Cas., Robert E. Barron.

NEW SALEM—First National Bank; capital, $25,000; Pres., A. D. Clarke; Cas., Chas. F. Kellogg.

NORWICH—First State Bank; capital, $10,000; Pres., Geo. E. Stubbins; Cas., E. W. Stubbins.

STARKWEATHER—First National Bank; capital, $25,000; Pres., A. O. Whipple.

STEELE—Citizens' State Bank; capital, $10,000; Pres., G. C. Olmstead; Cas., A. E. Trapp.

ST. JOHN—Rolette County Bank; capital, $10,000; Pres., W. N. Steele; Cas., G. W. Pow.

OKLAHOMA.

FORT COBB—Washita Valley Bank; capital, $5,000; Pres., J. B. Yount; Cas., Thos. Kearse; Asst. Cas., F. L. Godfrey.

GEARY—Citizens' State Bank; capital, $10,000.

OKLAHOMA CITY—Oklahoma Trust and Banking Co.; capital, $200,000; Pres., John Threadgill; Sec., H. D. Price.

SHAWNEE—State National Bank; capital, $100,000; Pres., Willard Johnston; Cas., C. M. Cade.

PENNSYLVANIA.

FINLEYVILLE—First National Bank; capital, $25,000; Pres., Geo. C. Boggs; Vice-Pres., J. D. Easter, Jr.

MOUNT UNION—First National Bank; capital, $25,000; Pres., Alex. B. Gillam; Vice-Pres., Thomas A. Appleby.

NEW CASTLE—Home Trust Co.; capital, $125,000; Pres., M. S. Marques; Sec. and Treas., Thomas C. Fry.

NEW HAVEN—New Haven National Bank; capital, $50,000; Pres. Kell Long; Cas., James L. Kurtz.

TUNKHANNOCK—Citizens' National Bank; capital, $50,000; Pres., John B. Fassett; Cas., J. C. Thayer.

SOUTH DAKOTA.

ALPENA—Alpena State Bank; capital, $10,000; Pres., D. S. Manwaring; Cas., F. E. Manning.

CLARK—Clark County National Bank: capital, $25,000; Pres., Ransom J. Mann; Cas., Otto Baarsch.

TEXAS.

ATHENS—Athens National Bank; capital, $25,000; Pres., Travis Holland; Cas., V. I. Stirman; Asst. Cas., B. Sigler.

CROWELL—First National Bank; capital, $25,000; Pres., John S. Hagler; Cas., James P. Hagler.

DEPORT—First National Bank; capital, $25,000; Pres., I. W. Teague; Cas., J. H. Moore.

GUNTER—First National Bank; capital, $30,000; Pres., Harvey C. Sperry; Cas., John Hardie.

HEREFORD—Smith, Walker & Co.

MABANK—First National Bank; capital, $25,000; Pres., Joe R. Gillespie; Cas., A. E. Martin.

ODESSA—Odessa National Bank; capital, $25,000; Pres., M. G. Buchanan; Cas., Thos. B. Van Tuyl.

VIRGINIA.

FRANKLIN—Merchants and Farmers' Bank; capital, $20,000; Pres., J. D. Pretlow; Cas., M. H. Moore; Asst. Cas., H. T. Hedrick.

WASHINGTON.

ORTING—Thompson & Callendar; capital, $1,000; Pres., W. J. Thompson; Cas., M. E. Callendar.

TEKOA—Tekoa State Bank; capital, $25,000; Pres., D. W. Truax; Cas., P. W. Chapman.

WEST VIRGINIA.

RICHWOOD—Richwood Banking and Trust Co.; capital, $32,000; Pres., Mason Mathews; Cas., H. P. Brightwell.

WEST UNION—First National Bank; capital, $50,000; Pres., J. B. Markey; Cas., L. R. Warren.

WISCONSIN.

EDGAR—Bank of Edgar; capital, $10,000; Pres. and Cas., Geo. W. Dudley; Vice-Pres., Wm. T. Whitney.

KENOSHA—Kenosha State Bank; capital, $25,000; Pres., Frank S. Komp; Cas., Frank T. Moloney.

ROBERTS—Bank of Roberts; capital, $4,000.

SHAWANO—German-American National Bank; capital, $25,000; Pres., Charles R. Stier; Cas., Frank J. Martin.

WARREN—Geo. Warren Co.'s Bank.

WITHEE—Bank of Withee; capital, $10,000; Pres., W. H. Trestrail; Cas., R. M. Trestrail.

CANADA.

NORTHWEST TERRITORY.

CARNDUFF—Merchants' Bank of Canada; J. J. Galloway, Mgr.

SASKATOON—Bank of Hamilton; W. Russell, Act. Mgr.

NOVA SCOTIA.

BADDECK—Union Bank of Halifax.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

CULLMAN—Parker & Co.; G. A. Prinz, Cas., deceased.

ENSLEY—Bank of Ensley; R. F. Berry, Cas., deceased.

CALIFORNIA.

FRESNO—Farmers' National Bank; Adolph Kutner, Pres., deceased.

PETALUMA—Wm. Hill Co.; Wm. Hill, Pres., deceased.

SANTA CLARA—Santa Clara Bank; absorbed by Citizens' Bank.

COLORADO.

IDAHO SPRINGS—Merchants and Miners' National Bank; J. L. Lindsay, Cas. in place of G. E. Armstrong.

GEORGIA.

ATLANTA—Atlanta Clearing-House Association: John K. Ottley, Pres.

HOGANSVILLE—Merchants and Farmers' Bank; Judson F. Mobley, Pres., deceased.

THOMASTON—Farmers and Merchants' Bank; R. A. Matthews, Vice-Pres., deceased.

IDAHO.

MOSCOW—First National Bank; B. L. Jenkins, Asst. Cas.

ILLINOIS.

CHICAGO—Bankers National Bank; J. C. McNaughton, Asst. Cas., deceased.——National Bank of America; Charles O. Austin, Vice-Pres.——Garden City Banking and Trust Co.; capital increased to $750,000.

JACKSONVILLE—Ayers National Bank; M. P. Ayers, Pres., deceased.

INDIANA.

VINCENNES—Citizens' Trust Co.; capital increased to $75,000.

INDIAN TERRITORY.

ATOKA—Atoka National Bank; J. D. Lankford, Pres. in place of J. T. Jeanes; Mike Conlan, Vice-Pres. in place of J. D. Lankford; Palo A. Roberts, Cas. in place of R. J. Allen; James Hudspeth, Asst. Cas.

CHECOTAH—First National Bank; J. W. Perry, Pres.; J. T. Magruder, Asst. Cas. in place of Howard Martin.

HUGO—First National Bank; J. B. Nixon, Pres. in place of J. J. Thomas; W. F. Miller, Cas. in place of F. M. Sterrett, Jr.

SOUTH MCALESTER—State National Bank; P. S. Newcombe, Cas. in place of F. Craig.

TISHOMINGO—Bank of the Chickasaw Nation; capital increased to $50,000.

IOWA.

BUFFALO CENTER—First National Bank; C. W. Gadd, Asst. Cas. in place of Jno. P. Young.

DOON—Doon Savings Bank; Herman Hasche, Cas., deceased.

LAKE MILLS—First National Bank (successor to Lake Mills Bank); P. M. Joice, Pres. in place of J. C. Williams; J. C. Williams, Vice-Pres. in place of G. S. Gilbertson; S. H. Larson, Cas. in place of B. H. Thomas; A. E. Pfiffner, Asst. Cas., in place of S. H. Larson.

KANSAS.

LAWRENCE—Lawrence National Bank; Ripley W. Sparr, Vice-Pres., deceased.

KENTUCKY.

CATLETTSBURG—Big Sandy National Bank; Ernest Meeks, Cas., in place of Monte J. Goble.

HARTFORD—First National Bank; G. B. Likens, Pres. in place of T. L. Griffin, deceased; C. J. Rhoads, Vice-Pres. in place of G. B. Likens.

UNIONTOWN—Bank of Uniontown; absorbed by Farmers' Bank.

MAINE.

BATH—First National Bank; E. W. Hyde, Pres. in place of M. G. Shaw; Oliver Moses, Vice-Pres. in place of E. W. Hyde.

MARYLAND.

FRIENDSVILLE—First National Bank; J. W. McCullough, Vice-Pres.; R. C. McCandlish, Cas.

MASSACHUSETTS.

BOSTON—New England National Bank; A. C. Kollock, Cas. in place of Charles F. Swan; no Asst. Cas. in place of A. C. Kollock.

DANVERS—Danvers Savings Bank; A. Frank Welch, Treas., deceased.

LAWRENCE—Essex Savings Bank; Albert I. Couch, Treas. in place of Joseph Shattuck, Jr.——Lawrence Savings Bank; Edward L. Foye, Treas. in place of Albert I. Couch.

SALEM—Salem Savings Bank; Clarence A. Evans, Treas.

WEBSTER—Webster Five Cents Savings Bank; F. A. Stockwell, Treas., deceased.

WORCESTER—First National Bank; Albert H. Waite, Pres., deceased.

MICHIGAN.

BROWN CITY—Brown City Savings Bank; Bostwick R. Noble, Pres., deceased.

CROSWELL—Sanilac County State Bank; Bostwick R. Noble, Pres., deceased.

GRAND RAPIDS—First National Bank; S. W. Sherman, Cas.; no Asst. Cas. in place of S. W. Sherman.

HARBOR BEACH—Huron County Savings Bank; Bostwick R. Noble, Pres., deceased.

LEXINGTON—Lexington State Bank; Bostwick R. Noble, Pres., deceased.

YALE—First National Bank; Bostwick R. Noble, deceased.

MISSISSIPPI.

MERIDIAN—First National Bank; W. W. George, Pres., deceased.

MISSOURI.

MISSOURI CITY—Norton Banking Co.; capital increased to $20,000.

MONETT—First National Bank; Carl W. Lehnhard, Pres. in place of P. J. Lehnhard, deceased; P. H. Attaway, Cas. in place of Carl W. Lehnhard.

PILOT GROVE—Pilot Grove Bank; capital increased to $15,000.

RICHLAND—Bank of Richland; capital increased to $15,000.

SPRINGFIELD—National Exchange Bank; J. B. Russell, Asst. Cas.

MONTANA.

BIG TIMBER—Big Timber National Bank; Emmett Brown, Cas., resigned.

NEBRASKA.

GRAF—Chamberlain Banking House; re-opened for business.

VESTA—Chamberlain Banking House; re-opened for business.

WEST POINT—Nebraska State Bank; Ludwig Rosenthal, Cas., deceased.

NEW HAMPSHIRE.

SOMERSWORTH—Great Falls National Bank; title changed to First National Bank.

NEW YORK.

BROOKLYN—Mechanics' Bank; Geo. W. Chauncey, Pres. in place of Geo. W. White, deceased; J. T. E. Litchfield and Horace C. Du Val, Vice-Pres.—Title Insurance Co.; capital increased to $1 100,000.

BUFFALO—Third National Bank; Nathaniel Rochester, Pres. in place of C. A. Sweet; Geo. A. Drummer, Cas. in place of Nathaniel Rochester.

CHURCHVILLE—Briscoe & Randall; Ira L. Randall, deceased.

DUNKIRK—Merchants' National Bank; Chas. D. Murray, Pres., deceased.

NEW YORK—National Shoe and Leather Bank; John A. Hiltner, Cas. in place of John I. Cole.—Jefferson Bank; capital increased to $400,000; surplus increased to $110,000.—Title Gurantee and Trust Co.; capital increased to $4,000,000.—Armstrong, Schirmer & Co.; succeeded by Charles A. Morse & Co.—Central Realty, Bond and Trust Co.; capital increased to $2,000,000; surplus increased to $8,000,000.—National Surety Co.; Joel Rathbone, Vice-Pres.—Fifth Avenue Trust Co.; J. Astley Griffin, Asst. Sec.

TICONDEROGA—First National Bank; R. L. De Lano, Pres. in place of Wm. Hooper; C. E. Bennett, Vice-Pres. in place of R. L. De Lano.

NORTH CAROLINA.

ASHEVILLE—Blue Ridge National Bank; Edwin L. Ray, Asst. Cas.

HICKORY—First National Bank; O. M. Royster, Vice-Pres., deceased.

OHIO.

CINCINNATI—Fifth National Bank; Edward Seiter, Cas. in place of T. J. Davis; Monte J. Goble, Asst. Cas. in place of Edward Seiter.—First National Bank; T. J. Davis, Cas. in place of W. S. Rowe.—Unity Banking and Savings Co.; capital increased to $50,000.

CLEVELAND—United Banking and Savings Co.; Geo. Hoffman, Vice-Pres., deceased; also Vice-Pres. Ohio Savings and Loan Co.

FINDLAY—American National Bank; A. E. Eoff, Asst. Cas. in place of W. J. Burkett.

GALLIPOLIS—First National Bank; J. C. Ingels, Cas. in place of J. A. Miller.

PLYMOUTH—First National Bank; Jno. I. Beelman, Asst. Cas.

TOLEDO—First National Bank; P. G. Wieting, Vice-Pres.; J. N. Lichty, Asst. Cas.—Northern National Bank; H. M. Bash, Asst. Cas.—Dime Savings Bank Co.; capital increased to $200,000.

OKLAHOMA.

HOBART—Farmers and Merchants' National Bank; J. K. Spears, Cas. in place of W. J. Caudill; L. D. Slusher, Asst. Cas. in place of J. K. Spears.

NOBLE—Noble State Bank; capital increased to $10,000.

PAWNEE—First National Bank; S. Thornton, Cas. in place of S. D. Berry; Elmer I. Neff, Asst. Cas. in place of S. Thornton.

SHAWNEE—First National Bank; no Asst. Cas. in place of C. R. Johnson.

OREGON.

BURNS—First National Bank; A. C. Welcome, Asst. Cas.

PENNSYLVANIA.

ALLENTOWN—Allentown National Bank; capital increased to $1,000,000.

BIG RUN—Citizens' National Bank; G. C. Bowers, Cas. in place of J. A. Miller.

LATROBE—Citizens' National Bank; A. Jamison, Pres. in place of J. W. Hughes; S. H. Miller, Vice-Pres. in place of A. Jamison.

LIGONIER—First National Bank; L. B. Weller, Vice-Pres.; T. J. Kerr, Cas. in place of L. B. Weller.

MCKEESPORT—People's Bank; capital increased to $200,000.

MEDIA—Charter National Bank; Jesse Darlington, Pres. in place of Jared Darlington, deceased; W. Rodger Fronefield, 1st Vice-Pres. in place of Thomas P. Saulnier.

MONESSEN—Monessen National Bank; title changed to First National Bank.

POINT MARION—First National Bank; E. E. Beardsley, Asst. Cas.

TARENTUM—People's National Bank; John P. Crawford, Asst. Cas.

RHODE ISLAND.

PAWTUCKET — Pawtucket Institution for Savings: Alfred M. Coats, Pres. in place of L. M. Darlington, deceased; Eben N. Littlefield, Vice-Pres.

SOUTH CAROLINA.

SPARTANBURG—National Bank of Spartanburg; W. E. Burnett, Pres. in place of Geo. Cofield; Jno. W. Simpson, Cas. in place of W. E. Burnett; A. M. Chreitzberg, Asst. Cas. in place of Jno. W. Simpson.

SUMTER—First National Bank; R. M. Wallace, Pres., deceased.

SOUTH DAKOTA.

ARTESIAN—Artesian State Bank; capital increased to $20,000; B. H. Millard, Pres.; L. A. Wheeler, Vice-Pres.; D. M. Cline, Cas.

FAULKTON — Security State Bank; John Harty, Asst. Cas.

TORONTO—First National Bank; O. C. Dorkken, Vice-Pres.; H. C. Peterson, Asst. Cas.

TEXAS.

BLOSSOM—First National Bank; O. P. Black, Cas. in place of J. D. Norwood.

BROWNWOOD—Brownwood National Bank; Wm. B. Cross, Asst. Cas.

COMANCHE—First National Bank; Ned Holman, Asst. Cas. in place of T. R. Holmsley.

COOPER—Delta National Bank; capital increased to $50,000; surplus increased to $15,000.

HOUSTON — First National Bank; W. H. Palmer, Cas., deceased.

LUFKIN—Angelina County National Bank; P. W. Everitt, Cas. in place of M. McMoy.

SEALY—Sealy National Bank; N. H. Cook, Sr., Vice-Pres.; J. H. Thompson, Second Vice-Pres.; C. T. Sanders, Asst. Cas.

SNYDER—First National Bank; T. F. Baker, Asst. Cas.

WINNSBORO—Farmers' National Bank; L. D. Hess, Asst. Cas.

VIRGINIA.

DANVILLE — First National Bank; Allen Cucullu, Cas. in place of H. M. Victor, resigned.

LYNCHBURG—People's National Bank; John Victor, Asst. Cas. in place of Geo. T. Lavinder.

WEST VIRGINIA.

GRAFTON—First National Bank; O. Jay Fleming, Asst. Cas.

PHILIPPI—Citizens' National Bank; H. G. Davis, Pres.; E. R. Dyer, Vice-Pres.

SALEM—Salem Bank; Oscar C. Wilt, Cas. in place of S. H. White, resigned.

KINGWOOD—Kingwood National Bank; S. H. White, Cas.

WISCONSIN.

GRAND RAPIDS—First National Bank; E. T. Harmon, Pres. in place of J. D. Witter, deceased; Isaac P. Witter, Vice-Pres. in place of J. W. Cameron, deceased; Geo. W. Mead, Cas. in place of E. T. Harmon.

HILLSBORO—Citizens' Bank; L. H. E. Webster, proprietor, deceased.

SUPERIOR—Northwestern National and First National Bank; consolidated under latter title.

CANADA.

ONTARIO.

TORONTO — Canadian Bank of Commerce; Alex. Laird, Asst. Gen. Mgr. in place of J. H. Plummer.

QUEBEC.

MONTREAL — Banque d'Hochelaga; C. A. Giroux, Mgr.; E. A. Bertrand, Asst. Mgr.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

GEORGIA.

EATONTON—Putnam County Banking Co.

KANSAS.

CIMARRON—Cimarron State Bank.

MAINE.

AUBURN—Auburn Trust Co.

NEW YORK.

NEW YORK—A. R. Specht & Co.

SYRACUSE—New York State Banking Co.

OHIO.

STEUBENVILLE—Steubenville National Bank; in voluntary liquidation September 11.

PENNSYLVANIA.

MERCER—Mercer County National Bank; in voluntary liquidation August 11.

PITTSBURG—Mechanics' National Bank; in voluntary liquidation August 5.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, October 3, 1902.

A STRINGENT MONEY MARKET and the efforts of the Secretary of the Treasury to relieve the situation commanded general attention during the month. For several weeks potent influences were combining to create a tight money market. The demand for money to move the crops came at a time when the sub-Treasury had resumed heavy drafts upon the banks in New York. The weekly statements of the clearing-house banks showed a rapid loss in deposits and reserves, and in spite of a contraction in loans, the reserves finally, on September 20, were $1,642,050 below the twenty-five per cent. ratio to deposits. This was the first time a deficit was reported since November 11, 1899. There had been other times when deficits were reported, notably in 1884, 1890 and in 1893, when panics also prevailed. It is not surprising therefore that the stock market experienced a severe decline for a time as the rate for loans rose to higher altitudes when the banks reported their first deficit in nearly three years.

It might be of interest to note the changes in the principal bank items during the few weeks which preceded the deficit. The following table will show the decrease in deposits, reserves, surplus reserve and loans weekly, from August 16 to September 20.

WEEK ENDED	*Decrease in deposits.*	*Decrease in reserves.*	*Decrease in surplus reserve.*	*Decrease in loans.*
August 23	$11,976,200	$377,300	*$2,616,750	$10,460,100
August 30	12,271,300	3,068,400	575	8,647,900
September 6	12,600,300	8,795,800	5,645,725	3,665,200
September 13	14,628,900	7,039,200	3,381,975	6,875,900
September 20	19,898,300	7,331,700	2,357,125	11,964,500
Five weeks	$71,375,000	$26,612,400	$8,768,650	$41,613,600
September 27	12,351,900	*1,790,700	*4,878,675	13,352,600

* Increase.

In five weeks the deposits of the banks were reduced more than $71,000,000, the cash reserve $26,600,000, and the surplus reserve $8,768,000, making the deficit of Septemper 20 more than $1,600,000. During the same time loans were reduced $41,600,000. In the week ended September 27 the cash reserves were increased $1,790,000, and the deficit was changed to a surplus of $3,236,625; deposits, however, were further reduced $12,000,000 and loans $13,000,000.

As the reserves of the bank fell the rate of interest, on call loans, advanced, and on September 12 the rate touched 20 per cent., on September 24, 25 per cent., and on September 29, 35 per cent. We give the range of call loan rates on each full business day of the last month, the loans on Saturdays not cutting any figure:

Sept. 1............	Sept. 8......6 @ 10	Sept. 15.....6 @ 20	Sept. 19.....6 @ 8	Sept. 25.... 2 @ 22
" 2.....5 @ 6	" 9......5 @ 8	" 16.....4 @ 14	" 22.....7 @ 20	" 26....10 @ 15
" 3.....4½ @ 6	" 10......6 @ 8	" 17.....6 @ 10	" 23.....6 @ 18	" 29....12 @ 35
" 4.....5½ @ 8	" 11......6 @ 12	" 18.....6 @ 9	" 24.....9 @ 25	" 30.... 4 @ 19
" 5.....3½ @ 8	" 12......6 @ 20			

Dear money prevailed, as indicated above, throughout the month, and the inevitable cry to the Government for aid quickly arose.

The Secretary of the Treasury responded to the full extent of his authority, and some of the expedients tried were unprecedented. First, he urged, with some success, a number of National banks to take out increased circulation; then he caused to be made up a list of National banks which had free Government bonds, and sent a notice to them that he would deposit public money with them to the extent of the face value of the bonds, and next he offered to prepay the interest falling due on October 1.

These were the earlier provisions for making money easy, but the situation steadily grew worse. On September 25 the Secretary announced that as far as was in his power he would deposit the internal receipts, about $500,000 per day, in National banks for thirty or sixty days, if needed, and longer if necessary. On the same day he offered to anticipate all interest maturing between October 1 and June 30, 1903, at a rate of rebate equal to 2.4 per cent. per annum. The amount of interest falling due during that period is about $20,650,000.

On September 26 the Secretary of the Treasury issued a circular offering to buy any of the 5 per cent. bonds of 1904 at the rate of 105 flat, the bonds to be presented on or before October 15 next. There are $19,410,350 of these bonds outstanding. On September 29 the Secretary announced that the National banks would not be required to hold a reserve of 25 per cent. against the public deposits. About $130,000,000 of Government funds was on deposit in these institutions at that time, and the effect of the Treasury ruling would be to release the reserve of more than $30,000,000 held against those deposits. The Secretary figured that this would make the basis of $130,000,000 increased loans.

Still further the Secretary went in his effort to re-establish an easy money market. The law authorizing the deposit of public moneys in the National banks, provides that the Secretary shall require the banks designated as public depositories "to give satisfactory security by the deposit of United States bonds, *and otherwise*," etc. Heretofore only Government bonds have been accepted, but Secretary Shaw has given notice that he will permit the banks which have 2 per cent. bonds deposited to secure Government money, to substitute for them such securities as Savings banks are permitted to invest in, provided that additional circulation shall be taken out to the full value of the Government bonds released. The Secretary will require a reserve to be kept against public deposits secured by other than Government bonds. It is not possible at this time to estimate the increase in circulation to follow this proceeding. The Secretary is quoted as saying that this relief will not go beyond $25,000,000.

Never before were measures so radical adopted for the purpose of preventing or allaying a stringency in the money market. They would have been neither necessary nor proper were it not that the Treasury has been and is now draining the supply of money into its own vaults.

Although the Government had $314,000,000 cash in the Treasury owned absolutely on September 1, it added $7,000,000 to its hoarded stock last month, and now has $321,000,000, or nearly one-eighth of the entire supply of money in the country. This is money actually in the Treasury free from any lien of certificate or note, except the arbitrary reserve fund of $150,000,000 directed by law to be held against the legal-tender notes. In addition to this balance in the Treasury the Government, on October 1, had nearly $134,000,000 deposited in the National banks.

We may revert to the experience of the New York banks during the last few weeks for the purpose of obtaining all the light possible. There has been a very rapid development of the banking interests of this city in recent years, and the financial operations with which they have had to deal exceed in magnitude anything ever before known. How are the big banks standing the strain, is a question which has been heard frequently; what has been their experience in the trying events of the last five or six weeks?

It has been noted that the deposits of the New York Clearing-House banks fell off nearly $84,000,000 between August 16 and September 27, and loans were reduced $55,000,000 in the same time. In the following table are shown the changes in loans and deposits of fourteen of the largest banks:

BANKS.	*Deposits August 16.*	*Deposits Sept. 27.*	*Loans August 16.*	*Loans Sept. 27.*
National City	$120,604,600	$104,878,800	$134,584,100	$123,570,000
First National	75,897 700	67,601,800	80,210,900	75,003,300
National Park	69,447,900	62,730,000	53,764,500	50,493,000
National Bank of Commerce	63,019,950	54,854,700	72,341,700	67,262,400
Hanover	54,864,700	51,418,200	48,001,300	45,451,600
Chase	51,544,400	47,752,500	42,090,000	39 372,800
Western	44,929,300	42,756,900	38,673,900	36,292,000
Corn Exchange	27,602,000	26,587,000	24,826,000	23,914,000
Bank of Manhattan	34,016,000	25,451,000	27,276,000	22 556,000
Chemical	25,448,000	22,650,000	25,171,700	23,672,100
Bank of America	22,887,400	21,078,700	21,147,300	19,127,300
American Exchange	25,781,000	20,980,000	30,407,000	28,348,000
Importers and Traders	21,289,000	19,668,000	23 876,000	22,372,000
Fourth National	23,325,300	19,383,200	21,388,200	18,363,000
Fourteen banks	$660,657,200	$587,790,800	$643,758,600	$595 797,500
Other Banks	299,588,800	288,728,300	285,389,400	278,384,300
Total	$960,246,000	$876,519,100	$929,148,000	$874,181,800

It will be noted that the fourteen banks lost $78,000,000 deposits, while the other banks lost $11,000,000. The larger banks lost nearly twelve per cent. of the deposits held on August 16, and the remaining banks less than four per cent. As to loans the large banks report a decrease of $48,000,000, or 7½ per cent., the smaller banks $7,000,000, or 2½ per cent. It will also be observed that on September 27 the larger banks had loans $8,000,000 in excess of deposits, while the smaller banks report deposits $10,000,000 in excess of loans.

The stock market naturally was responsive to the money market, and there were several severe breaks in prices and also recoveries. The market jumped into phenomenal activity again, and about 21,000,000 shares were traded in during the month, the highest record ever made for that month, and the largest total for any month of the year, with the exception of April, when the total was more than 26,000,000 shares. There were also heavy dealings in bonds, the sales aggregating nearly $95,000,000, as against $45,000,000 in September a year ago. There was a net decline in values all through the list, although at the close of the month a number of securities showed substantial recoveries from the extreme low point reached during the month.

The anthracite coal strike has continued to be an unfavorable influence for another month. No settlement has yet been reached and a coal famine is impending. The retail price of anthracite coal has reached $20 a ton in New York, and very little is to be had at even that price. Industrial enterprises are shutting down because of inability to obtain fuel, while violence and disorder are manifesting themselves in the coal regions. The latest estimate of losses because of the strike is, down to the end of the twentieth week, September 27, and is as follows:

To operators in price of coal	$47,500,000	Cost of maintaining Coal and Iron Police	$1,400,000
To strikers in wages	26,300,000	Cost of maintaining non-union workers	550,000
To employees other than miners	5,870,000	Cost of maintaining troops in field	400,000
To railroads in earnings	11,000,000	Loss to mines and machinery	6,500,000
To business men in region	14,800,000		
To business men outside region	8,900,000		
Total			$123,220,000

But for the coal strike there would be little to disturb confidence outside of the tight money scare which has excited Wall Street. The deposits in banks and trust

companies in the country are reported by the Comptroller of the Currency to amount to $8,535,058,136, an increase in ten years of 100 per cent. The circulation of the National banks has reached the highest total ever known. The Government has more gold in its Treasury than ever before in its history. While exports of merchandise have fallen off, imports are at their highest point, an unfailing sign of prosperity.

Statistics furnished by the Comptroller of the Currency show that the National bank system is still expanding notwithstanding it is hampered by the requirements concerning Government bond holdings. During the month of September there were thirty-eight banks organized with a capital of $3,030,000, and they deposited $506,-750 of bonds to secure circulation. Of these banks twenty-four had a capital of less than $50,000 each. Since the act of March 14, 1900, there have been 1,179 banks organized with a capital of $68,564,500, and of these 785 have a capital below the former minimum amount. Not all these banks are new institutions, for 153 of them were formerly State institutions, which have reorganized under National charters. The increase in number of banks in operation since March 14, 1900, is 1,034, and in capital stock is $94,859,600, a number of banks having increased their capital in the last two years.

The compilation of failures made by R. G. Dun & Co. indicates that the business disasters in 1902 have been somewhat in excess of those in the previous year. During the first nine months of the year the failures were 8,723, with liabilities of $113,484,688, as compared with 8,144 failures with liabilities of $97,856,416 in 1901. Deducting the bank failures, which were forty-seven this year, as against sixty-one in 1901, the strictly commercial failures were 8,676 against 8,083 in 1901, and the liabilities were $85,407,490, against $80,560,862 last year. This is a very small increase, only about six to seven per cent., while the record this year compares favorably with that of any other previous year in a long period excepting only 1899.

THE MONEY MARKET.—There was a stringent money market during almost the entire month of September. On the 8th call money touched 10 per cent., on the 12th, 20 per cent., on the 24th, 25 per cent., and on the 29th, 35 per cent. There were fluctuations in the rate but rarely after the first week did the rate fall below 6 per cent. At the close of the month call money ruled at 4 @ 19 per cent., the average rate being about 14 per cent. Banks and trust companies quote 6 per cent. as the minimum rate. Time money on Stock Exchange collateral is quoted at 6 per cent. interest and a commission of 1 per cent. for 30 days to 4 months on good mixed collateral, and 6 per cent. for 6 months. For commercial paper the rates are 6 per cent. for 60 to 90 days' endorsed bills receivable, 6 per cent. for first-class 4 to 6 months' single names, and 6½ per cent. for good paper having the same length of time to run.

MONEY RATES IN NEW YORK CITY.

	May 1.	*June 1.*	*July 1.*	*Aug. 1.*	*Sept. 1.*	*Oct. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances	3¾–8	2¾–3½	3½–7	2½–3	4 –5½	4 –19
Call loans, banks and trust companies	4 —	3 —	3 —	3 —	3½—	6 —
Brokers' loans on collateral, 30 to 60 days	4 — ½	4¼— ½	4¼—	4½—	5 —	6 @ 1%
Brokers' loans on collateral, 90 days to 4 months	4 — ½	4¼— ½	4¼–4½	4½— ¾	5 — ½	6 @ 1%
Brokers' loans on collateral, 5 to 7 months	4 — ½	4¼— ½	4½—	4¾–5	5 — ½	6 —
Commercial paper, endorsed bills receivable, 60 to 90 days	4¼— ½	4¼— ½	4½—	4½— ¾	5 —	6 —
Commercial paper prime single names, 4 to 6 months	4½–5¼	4¼— ¾	4½–5	4½–5	5 — ½	6 —
Commercial paper, good single names, 4 to 6 months	5 — ½	5 — ½	5 –5½	5½–6	5½–6	6½—

New York City Banks.—For the first time in nearly three years the reserves of the Clearing-House banks of this city on September 20 fell below the 25 per cent. standard, the deficit on that date amounting to $1,642,050. On November 25, 1899, there was a deficit of $6,652,200. By a heavy reduction in loans in the last week of the month the reserve was restored and a surplus of $3,236,625 reported. Since August 16 there has been a large decrease in deposits, $83,000,000, while during the same time loans were reduced about $45,000,000 and the cash reserves $25,000,000. Loans, which at the beginning of August were $37,000,000 less than deposits, were only about $1,300,000 less on September 20. Circulation has increased about $3,000,000 since the middle of August.

New York City Banks—Condition at Close of each Week.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Aug. 30...	$910,040,000	$167,427,000	$76,315,400	$935,998,500	$9,742,775	$32,935,100	$1,370,876,100
Sept. 6...	906,374,800	161,598,800	73,352,800	923,398,200	4,097,050	33,565,000	1,389,559,000
" 13...	899,498,900	155,775,300	72,132,100	908,769,300	715,075	34,267,500	1,662,063,100
" 20...	887,534,400	150,007,200	70,568,500	888,871,000	*1,642,050	34,761,300	1,548,504,700
" 27...	874,181,800	151,980,800	70,385,600	876,519,100	3,236,625	35,077,900	1,748,296,300

* Deficit.

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

Month.	*1900.*		*1901.*		*1902.*	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$740,046,900	$11,168,075	$854,189,200	$11,525,900	$910,860,800	$7,515,575
February......	795,917,800	30,871,275	969,917,500	24,838,825	975,997,000	26,623,350
March.........	829,917,000	18,641,550	1,012,514,000	14,801,100	1,017,488,800	9,975,925
April..........	807,816,600	9,836,150	1,004,283,200	7,870,500	965,853,300	6,965,575
May...........	852,062,500	21,128,300	970,790,500	16,759,775	968,189,600	7,484,000
June..........	887,954,500	20,122,275	952,398,200	21,253,050	948,826,400	11,929,000
July..........	888,249,300	16,859,375	971,882,000	8,484,200	955,829,400	12,978,350
August........	887,841,700	27,535,975	955,912,200	22,165,350	957,145,500	13,738,125
September....	903,486,900	27,078,475	968,121,900	11,919,925	935,998,500	9,742,775
October.......	884,706,800	12,942,600	936,452,300	16,293,025	876,519,100	3,236,625
November	841,775,200	5,950,400	958,062,400	10,482,800	....	....
December.....	864,410,900	10,865,675	940,668,500	13,414,575	....	....

Deposits reached the highest amount, $1,019,474,200 on Feb. 21, 1901, loans, $938,191,200 on March 1, 1902, and the surplus reserve $111,623,000 on Feb. 3, 1894.

Non-Member Banks—New York Clearing-House.

Dates.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Deficit.*
Aug. 30....	$75,470,200	$80,930,900	$3,375,600	$3,996,400	$8,348,200	$2,480,400	* $2,032,125
Sept. 6....	76,107,800	80,961,900	3,076,100	4,029,800	8,293,800	1,958,400	* 2,882,375
" 13....	77,607,700	81,938,600	3,287,000	4,125,500	8,160,400	1,570,800	* 3,340,950
" 20....	78,008,700	81,675,900	3,446,500	4,089,000	7,347,700	1,925,600	* 3,610,175
" 27....	78,387,900	82,603,600	3,536,900	4,124,900	7,648,200	1,831,200	* 3,509,750

Boston Banks.

Dates.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
Aug. 30.......	$186,648,000	$200,332,000	$14,970,000	$6,063,000	$5,090,000	$193,221,200
Sept. 6.......	186,238,000	202,863,000	14,822,000	5,478,000	5,137,000	103,689,600
" 13.......	187,106,000	203,154,000	15,848,000	5,843,000	5,558,000	122,582,500
" 20.......	189,643,000	207,282,000	15,827,000	6,134,000	5,669,000	126,921,400
" 27.......	190,360,000	204,024,000	15,756,000	5,983,000	5,925,000	128,349,600

Philadelphia Banks.

Dates.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
Aug. 30	$189,170,000	$219,973,000	$56,836,000	$9,037,000	$93,988,700
Sept. 6	190,170,000	219,585,000	56,037,000	9,042,000	99,092,600
" 13	190,057,000	219,440,000	53,885,000	9,074,000	107,876,100
" 20	188,630,000	217,464,000	52,415,000	8,928,000	107,519,800
" 27	187,679,000	215,217,000	50,643,000	8,768,000	114,257,300

Foreign Exchange.—As the rate for money in the local market advanced rates for sterling declined, but there is also a very moderate supply of bills, while a fair demand for remittance for settlement exists. Sterling has not yet fallen to the gold importing point, although some gold has reached here, principally from Australia.

Rates for Sterling at Close of Each Week.

Week ended.	Bankers' Sterling.		*Cable transfers.*	*Prime commercial, Long.*	*Documentary Sterling, 60 days.*
	60 days.	*Sight.*			
Aug. 29	4.8385 @ 4.8400	4.8660 @ 4.8670	4.8690 @ 4.8710	4.83¼ @ 4.83¾	4.83 @ 4.84¼
Sept. 6	4.8375 @ 4.8390	4.8650 @ 4.8660	4.8700 @ 4.8710	4.83⅜ @ 4.83½	4.82¾ @ 4.84
" 13	4.8290 @ 4.8300	4.8550 @ 4.8565	4.8600 @ 4.8615	4.82¼ @ 4.82½	4.81¾ @ 4.83¼
" 20	4.8285 @ 4.8300	4.8575 @ 4.8590	4.8640 @ 4.8650	4.82⅛ @ 4.82¾	4.82 @ 4.83¼
" 27	4.8225 @ 4.8235	4.8560 @ 4.8675	4.8615 @ 4.8630	4.82 @ 4.82¼	4.81½ @ 4.83

Gold and Silver Coinage.—The mints in September coined $3,560,860 gold, $2,831,165 silver, of which $2,754,060 was silver dollars and $370,090 minor coin, a total of $6,762,115.

Coinage of the United States.

	1900.		*1901.*		*1902.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
January	$11,515,000	$2,364,161	$12,657,200	$2,713,000	$7,660,000	$2,908,637
February	13,401,900	1,940,000	9,230,300	2,242,166	6,643,850	2,489,000
March	12,596,240	4,341,376	6,182,152	3,120,580	1,558	2,965,577
April	12,922,000	3,930,000	18,958,000	2,633,000	3,480,315	3,388,273
May	8,252,000	3,171,000	9,325,000	3,266,000	426,000	1,873,000
June	3,820,770	2,094,217	5,948,030	2,836,185	500,345	2,464,353
July	6,540,000	1,827,827	4,225,000	1,312,000	2,120,000	2,254,000
August	5,050,000	2,536,000	6,780,000	3,141,000	8,040,000	2,236,000
September	2,293,335	3,932,185	4,100,178	3,899,524	3,560,860	2,831,165
October	5,120,000	4,148,000	5,750,000	2,791,489	....	....
November	13,185,000	3,130,000	6,270,000	917,000	....	....
December	4,576,697	2,880,555	12,309,338	1,966,514	....	....
Year	$99,272,942	$36,295,321	$101,735,187	$30,838,461	$32,432,928	$23,510,005

Silver.—The price of silver in London declined 5-8d. during the month closing at 23 9-16d. the lowest price recorded in the month and the lowest since May last.

Monthly Range of Silver in London—1900, 1901, 1902.

Month.	*1900.*		*1901.*		*1902.*		Month.	*1900.*		*1901.*		*1902.*	
	High	*Low.*	*High*	*Low.*	*High*	*Low.*		*High*	*Low.*	*High*	*Low.*	*High*	*Low.*
January	27¾	27	29 9/16	27⅞	26 1/16	25⅝	July	27¾	27⅝	28 9/16	27¾	24 9/16	24 3/16
February	27¾	27 5/16	28 1/16	27⅞	25⅝	25 5/16	August	27¾	27⅛	28 9/16	27 11/16	24 7/16	24⅛
March	27 11/16	27 7/16	28 3/16	27 5/16	25 7/16	24 13/16	Septemb'r	27⅝	26 11/16	28 7/16	29¼	24⅛	23 9/16
April	27½	27 5/16	27 15/16	26 15/16	24⅞	23 5/16	October	26 13/16	26⅝	30 3/16	29⅛	....	....
May	27⅝	27½	27⅝	27 3/16	24⅛	23 9/16	Novemb'r	27 5/16	26 11/16	29 13/16	29 7/16	....	....
June	28 3/16	27 3/16	27⅝	27¼	24 7/16	23 15/16	Decemb'r	27 5/16	26 15/16	29 15/16	29⅛	....	....

Foreign and Domestic Coin and Bullion—Quotations in New York.

	Bid.	Asked.		Bid.	Asked.
Sovereigns & Bk. of Eng. notes	$4.84	$4.87	Mexican 20 pesos	$19.50	$19.60
Twenty francs	3.84	3.87	Ten guilders	3.95	4.00
Twenty marks	4.74	4.77	Mexican dollars	.40	.42
Twenty-five pesetas	4.78	4.81	Peruvian soles	.38¼	.41
Spanish doubloons	15.55	15.65	Chilian pesos	.38¼	.41
Mexican doubloons	15.55	15.65			

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 23 1/16d. per ounce. New York market for large commercial silver bars, 51 @ 52¼c. Fine silver (Government assay), 51¼ @ 52¾c. The official price was 50¾c.

National Bank Circulation.—The National banks last month increased their note circulation $5,710,907 but $1,275,350 of the increase is represented by lawful money deposited to retire circulation, making the expansion of currency on this account less than $4,500,000. The banks have deposited $3,000,000 bonds to secure circulation and $12,000,000 to secure public deposits, showing that the Secretary of the Treasury has been successful in his endeavor to get the banks to assist in getting more money into circulation, for a while, at least.

National Bank Circulation.

	June 30, 1902.	July 31, 1902.	Aug. 31, 1902.	Sept. 30, 1902.
Total amount outstanding	$356,672,091	$358,984,184	$361,282,691	$366,998,598
Circulation based on U. S. bonds	314,238,811	316,614,767	319,407,587	323,848,144
Circulation secured by lawful money	42,433,280	42,369,417	41,875,104	43,150,454
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	5,461,250	5,816,000	7,008,000	7,408,450
Five per cents. of 1894	455,900	605,900	610,900	810,900
Four per cents. of 1895	2,028,100	2,076,600	2,116,600	2,569,600
Three per cents. of 1898	3,210,080	3,272,580	3,995,580	4,437,720
Two per cents. of 1900	306,008,200	306,817,400	309,210,600	310,826,100
Total	$317,163,530	$318,588,480	$322,941,680	$326,052,770

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1907, $15,968,350; 5 per cents. of 1894, $2,121,450; 4 per cents. of 1895, $9,302,750; 3 per cents. of 1898, $10,614,520; 2 per cents. of 1900, $97,266,100; District of Columbia 3.65's, 1924, $1,352,000; a total of $136,625,170.

Government Revenues and Disbursements —The report of receipts and disbursements of the United States Treasury in September shows the former exceeding the latter by more than $11,000,000. The record of the last three months has been extraordinary. In July there was a deficit of $7,000,000, in August a surplus of $5,000,000 and in September a surplus of $11,000,000. Yet the receipts have varied very little averaging nearly $49,000,000 a month. It is in the expenditure that the change has occurred. In July the disbursements were nearly $57,000,000, in August $43,000,000 and in September less than $38,000,000. There is of course a limit to the reduction in expenditures, and it is not likely that such a surplus as that of September will be of frequent occurrence.

United States Treasury Receipts and Expenditures.

Receipts. Source.	September, 1902.	Since July 1, 1902.	Expenditures. Source.	September, 1902.	Since July 1, 1902.
Customs	$26,225,777	$77,238,751	Civil and mis	$8,642,678	$31,153,911
Internal revenue	19,789,709	58,933,202	War	6,470,063	35,564,956
Miscellaneous	2,564,895	10,319,932	Navy	7,221,836	20,813,200
			Indians	550,405	3,594,731
			Pensions	11,168,388	36,323,910
Total	$48,580,381	$146,491,885	Interest	3,501,428	10,031,268
Excess of receipts	11,025,583	9,009,909	Total	$37,554,798	$137,481,976

United States Public Debt.—While the bonded debt remains unchanged there was an increase of $1,000,000 in the National bank-note redemption fund, and of $10,000,000 in gold and silver certificates issued, making the aggregate debt show an

increase of $11,000,000. The total cash assets in the Treasury, however, increased $25,000,000, and the demand liabilities nearly $14,000,000. The net cash balance increased from $359,000,000 to $371,000,000, and the total debt less cash in the Treasury was reduced from $968,000,000 to $957,000,000. The net debt is now $54,000,000 less than it was on January 1 last.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1902.	*Aug. 1, 1902.*	*Sept. 1, 1902.*	*Oct. 1, 1902.*
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent.......	$445,940,750	$445,940,750	$445,940,750	$445,940,750
Funded loan of 1907, 4 "	240,063,300	233,177,400	233,177,500	233,177,500
Refunding certificates, 4 per cent......	32,250	31,980	31,880	31,880
Loan of 1904, 5 per cent.................	20,060,150	19,410,350	19,410,350	19,410,350
" 1925, 4 "	139,618,600	134,994,200	134,994,200	134,994,200
Ten-Twenties of 1898, 3 per cent........	97,564,160	97,515,660	97,515,660	97,515,660
Total interest-bearing debt...........	$943,279,210	$931,070,340	$931,070,340	$931,070,340
Debt on which interest has ceased... ...	1,339,790	1,276,810	1,257,490	1,256,860
Debt bearing no interest:				
Legal tender and old demand notes.....	346,734,863	346,734,863	364,734,863	364,734,863
National bank note redemption acct..	35,008,208	41,929,629	41,646,805	42,733,894
Fractional currency.....................	6,874,492	6,873,823	6,873,328	6,873,323
Total non-interest bearing debt......	$388,612,563	$395,537,816	$395,254,991	$396,342,081
Total interest and non-interest debt.	1,333,231,564	1,327,884,966	1,327,582,822	1,328,669,281
Certificates and notes offset by cash in the Treasury:				
Gold certificates.........................	316,785,089	356,985,089	359,390,089	363,811,089
Silver "	456,087,000	456,217,000	458,785,000	465,752,000
Treasury notes of 1890	38,596,000	28,763,000	27,701,000	26,836,000
Total certificates and notes...........	$811,468,089	$841,965,089	$845,876,089	$855,899,089
Aggregate debt	2,144,699,653	2,169,850,055	2,173,458,910	2,184,568,370
Cash in the Treasury:				
Total cash assets	1,219,631,721	1,278,479,598	1,290,043,680	1,315,429,548
Demand liabilities.......................	898,028,443	924,504,999	930,552,180	944,176,154
Balance	$321,603,278	$353,974,599	$359,491,500	$371,253,394
Gold reserve.............................	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance........................	171,603,278	203,974,599	209,491,500	221,253,394
Total	$321,603,278	$353,974,599	$359,491,500	$371,253,394
Total debt, less cash in the Treasury.	1,011,628,286	973,910,367	968,091,322	957,415,887

MONEY IN CIRCULATION IN THE UNITED STATES.—Nearly $11,000,000 was added to the volume of money in circulation last month although there was a decrease of $7,000,000 in gold coin, of $2,000,000 in gold certificates and of $1,000,000 in Treasury notes. On the other hand silver certificates were increased $7,000,000, silver dollars $4,000,000, subsidiary silver $2,000,000, United States notes $2,000,000 and bank notes $6,000,000.

MONEY IN CIRCULATION IN THE UNITED STATES.

	July 1, 1902.	*Aug. 1, 1902.*	*Sept. 1, 1902.*	*Oct. 1, 1902.*
Gold coin.................................	$629,271,532	$631,156,433	$632,209,118	$624,728,060
Silver dollars............................	68,621,718	68,906,465	70,984,675	75,043,719
Subsidiary silver.........................	82,814,940	86,222,459	87,415,287	89,906,205
Gold certificates.........................	307,110,929	314,764,019	306,644,989	304,882,054
Silver certificates........................	446,650,243	447,445,542	452,357,023	459,571,478
Treasury notes, Act July 14, 1890.........	29,862,445	28,635,585	27,622,750	26,741,790
United States notes......................	336,265,855	337,428,669	341,141,774	342,930,086
National bank notes......................	345,931,750	346,046,965	346,557,379	352,383,259
Total....................................	$2,2'6,529,412	$2,260,606,137	$2,264,932,945	$2,275,686,651
Population of United States.............	79,117,000	79,230,000	79,341,000	79,458,000
Circulation per capita...................	$28.40	$28.53	$28.55	$28.64

MONEY IN THE UNITED STATES TREASURY.—There was an increase of $11,000,000 in the total amount of money in the Treasury last month, but an increase of $4,000,000 in certificates outstanding made the gain in net cash only $7,000,000. The

Treasury lost in all kinds of cash except gold, and in that gained more than $21,000,000.

MONEY IN THE UNITED STATES TREASURY.

	July 1, 1902.	Aug. 1, 1902.	Sept. 1, 1902.	Oct. 1, 1902.
Gold coin and bullion	$559,302,052	$562,769,024	$571,302,633	$590,506,825
Silver Dollars	471,405,336	472,170,589	471,870,879	470,713,502
Silver bullion	29,960,039	28,368,763	27,209,244	24,439,639
Subsidiary silver	14,042,045	12,002,930	10,351,174	8,082,871
United States notes	10,415,161	9,252,347	5,539,242	3,750,930
National bank notes	10,740,341	12,937,219	14,725,312	14,610,339
Total	$1,095,864,974	$1,097,500,872	$1,100,997,984	$1,112,103,606
Certificates and Treasury notes, 1890, outstanding	783,623,617	790,845,146	786,624,712	790,695,322
Net cash in Treasury	$312,241,357	$306,655,726	$314,373,272	$321,408,284

SUPPLY OF MONEY IN THE UNITED STATES.—An increase of nearly $12,000,000 in gold and of nearly $6,000,000 in National bank notes represents the $18,000,000 increase in supply of money in the country reported last month. The total now exceeds $2,597,000,000.

SUPPLY OF MONEY IN THE UNITED STATES.

	July 1, 1902.	Aug. 1, 1902.	Sept. 1, 1902.	Oct. 1, 1902.
Gold coin and bullion	$1,188,573,584	$1,193,925,457	$1,203,511,751	$1,215,234,885
Silver dollars	540,027,054	541,077,054	542,855,054	545,757,221
Silver bullion	29,960,039	28,368,763	27,209,244	24,439,639
Subsidiary silver	96,856,985	98,225,389	97,766,461	97,988,576
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	356,672,091	358,984,184	361,282,691	366,998,598
Total	$2,558,770,769	$2,567,261,863	$2,579,306,217	$2,597,094,935

Certificates and Treasury notes represented by coin, bullion, or currency in Treasury are not included in the above statement.

FOREIGN TRADE.—The exports of merchandise from the United States in August were $13,000,000 less in value than for the corresponding month last year. This is the twelfth consecutive month showing a decline, and in these twelve months the exports have fallen off more than $153,000,000. On the other hand imports have been increasing almost consecutively for more than a year past, the gain in twelve months reaching $71,000,000, changing the balance of trade $224,000,000. In the eight months ended August 31 the exports were $821,000,000, a decrease compared with last year of $117,000,000, while the imports were $614,000,000, an increase of $34,000,000. Exports will be larger for some months to come, however, as the movement of grain and cotton will increase.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF AUGUST.	MERCHANDISE.			Gold Balance.	Silver Balance.
	Exports.	Imports.	Balance.		
1897	$80,825,050	$30,844,605	Exp., $49,980,445	Imp., $2,736,981	Exp., $2,109,783
1898	84,565,561	49,677,349	" 34,888,212	" 13,340,903	" 1,246,735
1899	104,646,020	66,643,810	" 38,002,210	" 3,292,349	" 814,232
1900	103,575,965	61,820,488	" 41,755,477	Exp., 13,846,580	" 2,588,725
1901	108,024,209	73,127,217	" 34,896,992	Imp., 3,339,667	" 1,781,919
1902	94,682,178	78,675,371	" 16,006,807	Exp., 1,035,500	" 2,978,834
EIGHT MONTHS.					
1897	641,697,330	546,325,777	Exp., 95,371,553	Exp., 20,655,005	Exp., 17,227,563
1898	778,632,207	426,922,568	" 351,709,639	Imp., 100,856,362	" 15,182,869
1899	792,590,823	515,190,433	" 277,400,390	Exp., 584,316	" 14,769,141
1900	916,062,516	564,898,833	" 351,163,683	" 19,670,792	" 15,679,688
1901	939,329,341	579,650,756	" 359,678,585	" 9,022,596	" 16,857,829
1902	821,685,198	614,165,387	" 207,519,811	" 14,594,378	" 14,501,397

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of September, and the highest and lowest during the year 1902, by dates, and also, for comparison, the range of prices in 1901:

	Year 1901.		Highest and Lowest in 1902.		September, 1902.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	91	42¼	96⅝ - Sept. 9	74¼—Jan. 27	96⅝	85	91⅛
″ preferred	108	70	106⅛—Sept. 2	95⅛—Jan. 27	106⅛	99¾	102¼
Baltimore & Ohio	114½	81¾	118½—Sept. 10	101 —Jan. 14	118½	103	108
Baltimore & Ohio, pref	97	83⅝	99 —Sept. 19	92½—Sept. 26	99	92½	96
Brooklyn Rapid Transit	88⅞	55⅞	72⅜—July 21	60⅞—Feb. 14	72	62¾	66
Canadian Pacific	117½	87	145¼—Sept. 3	112¼—Jan. 28	145¼	134½	139
Canada Southern	89	54⅛	97 —May 22	85 —Sept. 29	90⅝	85	85
Central of New Jersey	196⅝	145¾	198 —Jan. 6	175 —Sept. 23	187	175	175
Ches. & Ohio vtg. ctfs	52⅝	29	57½—Sept. 3	45 —Feb. 20	57½	48⅛	52
Chicago & Alton	50⅛	27	45⅝—July 16	33½—Jan. 14	43⅞	34½	37½
″ preferred	82¼	72½	79 —July 17	73 —Sept. 29	76⅛	73	74
Chicago & E. Illinois	140	91	220¾—July 30	134¾—Jan. 6	215	207	214
″ preferred	136	120½	151 —July 1	136½—Sept. 13	136½	136½	136½
Chicago, Great Western	27	16	35 —Aug. 20	22⅜—Jan. 25	34⅝	29⅛	31
Chic., Indianapolis & Lou'ville	52⅞	23	80 —May 7	49¼—Jan. 14	....	....	....
″ preferred	77¾	58¾	91¼—Aug. 19	75 —Jan. 16	90	90	90
Chic., Milwaukee & St. Paul	188	134	198¾—Sept. 20	160⅛—Jan. 27	198¾	183⅞	194
″ preferred	200	175	200¾—Sept. 20	186 —Jan. 14	200¾	192	200
Chicago & Northwestern	215	168⅛	271 —Apr. 29	204⅛—Jan. 14	242¾	230	235⅛
″ preferred	248	207	274½—Apr. 29	230 —Jan. 18	263	250	263
Chicago, Rock I. & Pacific	175¼	117½	206 —Sept. 22	152 —Jan. 15	206	186	198⅛
Chic., St. Paul, Minn. & Om	146¾	125	170½—Apr. 30	140 —Feb. 6	165	162½	164⅞
″ preferred	201	180	210 —Apr. 15	195 —Mar. 6	....	....	....
Chicago Terminal Transfer	31	10½	24⅞—Aug. 19	15¼—Feb. 21	24½	20½	22
″ preferred	57½	33	44 —Sept. 10	30¼—Feb. 20	44	37½	40⅛
Clev., Cin., Chic. & St. Louis	101	72½	108⅜ -Aug. 8	95⅛—Jan. 14	107	100	103⅛
Col. Fuel & Iron Co	136½	41¾	110½—Apr. 24	73¾—Aug. 22	83¾	76½	79½
Colorado Southern	18	6⅝	35¾—July 17	14⅛—Jan. 15	35¼	30⅛	32¼
″ 1st preferred	60	40	79½—Aug. 11	59¼—Jan. 15	79	72¼	73
″ 2d preferred	28¾	16½	53⅞—Sept. 2	28 —Jan. 14	53⅞	47⅞	49
Consolidated Gas Co	238	187	230¾—Apr. 25	213 —Jan. 16	226	217	221
Delaware & Hud. Canal Co	185½	105	184½—Jan. 7	170 —Mar. 11	181½	171⅞	177¾
Delaware, Lack. & Western	258	188¼	297 —Feb. 4	253 —Jan. 15	284¾	268	273½
Denver & Rio Grande	53½	29½	51¾—Aug. 21	41 —Apr. 7	51	42½	46¾
″ preferred	103¼	80	96¾—Aug. 21	88¾—May 19	96½	90	93
Erie	45½	24½	44⅝—Jan. 2	35⅜—May 19	43⅛	37	40¼
″ 1st pref	75	59¾	75¾—Jan. 2	65¾—May 19	71⅝	66	69⅝
″ 2d pref	62¾	39¼	63¼—Jan. 2	51 —May 17	58	52½	54½
Evansville & Terre Haute	68	41	74⅜—Mar. 7	50 —Mar. 26	69	58	60
Express Adams	202	145	230 —Aug. 28	198 —July 11	....	....	....
″ American	219	170	265 —Aug. 28	210 —Jan. 6	262	249¾	250
″ United States	100	53	160 —Aug. 28	97 —Jan. 2	158	148	150
″ Wells, Fargo	199¾	130	251 —Aug. 29	185 —Jan. 24	250	247	250
Great Northern, preferred	208	167½	202¼—Sept. 4	181½—Mar. 5	202¼	190	193½
Hocking Valley	75½	40½	106 —Aug. 8	66 —Jan. 15	103	93½	96¼
″ preferred	88½	69¾	97¼—Aug. 7	81⅛—Jan. 14	94¼	90	92½
Illinois Central	154¾	124	173½—Aug. 27	137 —Jan. 14	173½	147	154
Iowa Central	43¾	21	51¾—Aug. 21	37½—Jan. 15	50⅞	44	45
″ preferred	87½	48	90⅜—Apr. 28	71 —Jan. 14	88	80	81⅜
Kansas City Southern	25	13½	39 —Aug. 25	19 —Jan. 15	39	33¼	35
″ preferred	49	35	62¾—Apr. 21	44 —Jan. 14	61⅝	55	57
Kans. City Ft. S. & Mem. pref	81¼	77½	88 —Aug. 1	80 —Sept. 24	86	80	81⅜
Lake Erie & Western	76½	39¾	71½—Jan. 3	60¼—Sept. 29	67	60¼	61
″ preferred	135½	108⅛	138 —Feb. 6	125 —Jan. 15	130	128	130
Long Island	90	67	91⅞—May 2	78¾—Jan. 15	86⅞	80½	80½
Louisville & Nashville	111¾	76	159½—Aug. 20	102⅛—Jan. 27	156⅝	137¼	143¼
Manhattan consol	145	83	140⅝—Jan. 9	128 —Mar. 12	139¼	132	137½
Metropolitan Street	177	150	174 - Feb. 5	139½—Sept. 29	149	139½	142¼
Mexican Central	30	12¾	31⅛—Mar. 31	25¾—Sept. 29	29¾	25¾	27
Mexican National	15¼	3⅝	20¾—Mar. 10	14⅛—Jan. 15	....	....	....
Minneapolis & St. Louis	111¼	67¾	115 —Apr. 19	105 - Jan. 27	114⅞	109½	110½
″ preferred	124	101¾	127¾—Apr. 28	118½—Jan. 22	127	127	127
Missouri, Kan. & Tex	35½	15	35¾—Sept. 10	24 —Mar. 5	35¾	28½	31¼
″ preferred	68⅝	37	69¾—Sept. 10	51 —Jan. 13	69¾	60⅝	63⅜

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1901.		Highest and Lowest in 1902.		September, 1902.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Missouri Pacific	124⅛	69	125⅛—Sept. 10	96¾—Mar. 11	125⅛	111⅛	115¾
N. Y. Cent. & Hudson River	174½	139⅜	168⅞—Jan. 2	153½—May 19	167⅞	155	158
N. Y., Chicago & St. Louis	57⅞	16	57⅝—Aug. 8	46½—Jan. 15	56⅞	50	52
" 2d preferred	95	47	100 —Aug. 7	84 —Feb. 4	93½	90½	91
N. Y., Ontario & Western	40½	24	37⅝—Sept. 8	32 —Mar. 11	37⅝	32½	34⅞
Norfolk & Western	61⅝	42	78½—Sept. 3	55 —Jan. 14	78½	70	73½
" preferred	92¼	82	98 —July 23	90 —Feb. 21	95	91¼	92
North American Co.	109	73½	134 —Sept. 8	88 —Jan. 28	134	122	130½
Pacific Mail	49½	30½	49⅝—Mar. 10	37½—May 17	47⅛	41¼	42¼
Pennsylvania R. R.	161½	137½	170 —Sept. 4	147 —Jan. 14	170	159	165
People's Gas & Coke of Chic.	120½	95¾	109½—Sept. 5	98¼—Jan. 9	109½	102½	104¾
Pullman Palace Car Co.	225	195½	250 —Apr. 29	215 —Jan. 13	240	233	235
Reading	58	24½	78½—Sept. 3	52¼—Mar. 10	78½	64	71½
" 1st prefered	82⅞	65	90¼—Sept. 10	79⅞—Mar. 10	90¼	86	87½
" 2d preferred	64½	38	80⅞—Sept. 11	60 —Jan. 14	80⅞	74	77¾
St. Louis & San Francisco	56½	21½	85½—July 31	53¾—Jan. 2	82⅝	77⅝	78⅝
" 1st preferred	88	75	90 —July 30	82⅞—July 19	87⅞	87	87
" 2d preferred	76¼	53⅛	80⅝—July 30	70½—May 15	78	72	73
St. Louis & Southwestern	39½	16	39 —Aug. 18	24¾—Mar. 6	38⅝	33	34
" preferred	71	41½	80 —Sept. 9	55¼—Mar. 5	80	68	70¾
Southern Pacific Co.	63⅝	29	81¼—Sept. 10	58 —Jan. 15	81¼	71½	75⅝
Southern Railway	35¾	18	41⅜—Aug. 21	31⅞—Jan. 27	41⅛	36	38⅝
" preferred	94⅝	67¼	98½—Apr. 15	92 —Jan. 14	98	95	96
Tennessee Coal & Iron Co.	76⅝	49⅝	74⅝—Apr. 24	61½—Jan. 14	71⅞	63½	67⅜
Texas & Pacific	52¼	23¼	54¾—Sept. 3	37½—Jan. 15	54¾	45½	47⅝
Toledo, St. Louis & Western	25½	10¾	33 —Sept. 2	18½—Jan. 21	33	28	29
" preferred	39½	28	49¾—Sept. 2	35 —Jan. 15	49¾	41	44
Union Pacific	133	76	113¼—Aug. 26	98⅝—Feb. 28	112¼	102½	106⅞
" preferred	99½	81⅝	95 —Aug. 29	86⅝—Mar. 6	92¾	90¾	91⅛
Wabash R. R.	26	11½	38¾—Sept. 10	21¾—Jan. 14	38¾	32⅝	34½
" preferred	46½	23¾	54½—Sept. 10	41½—Jan. 13	54½	48	51
Western Union	100¼	81	97½—Aug. 26	84¾—July 10	97	90	93⅞
Wheeling & Lake Erie	22	11⅝	30¼—Sept. 9	17 —Jan. 27	30¼	26	28⅝
" second preferred	38	24	42⅝—Sept. 10	28 —Jan. 14	42⅝	38	39¼
Wisconsin Central	26	14½	31 —Aug. 20	19½—Jan. 30	30⅝	27	28¼
" preferred	48¾	38½	57⅝—Aug. 29	39½ Jan. 24	57	51¼	53¼
"INDUSTRIAL"							
Amalgamated Copper	130	60½	79 —Feb. 1	61 —Mar. 25	71½	63⅞	66⅝
American Car & Foundry	35	19	37 —Sept. 26	28¼—Apr. 11	37	34	35⅞
" pref.	89	67	92¾—Aug. 8	85¼—Jan. 14	92¼	89⅞	91
American Co. Oil Co.	35½	24	57¾—Apr. 28	30½—Jan. 10	55	47	50
American Ice	41⅜	25¾	31⅞—Jan. 2	9½—July 11	12⅞	10¾	11⅛
American Locomotive	37⅞	22½	36⅞—Apr. 29	29⅝—May 19	34	29⅝	31
" preferred	91¼	83⅝	100¼—Apr. 29	89 —Jan. 3	97¾	93	94¼
Am. Smelting & Refining Co.	69	38½	49⅝—May 26	43½—Apr. 22	48⅝	44	47¼
" preferred	104⅞	88	100½—June 23	94¾—Sept. 24	97½	94¾	96
American Sugar Ref. Co.	153	103½	135⅛—Mar. 31	116¼—Jan. 6	133¼	123	127
Anaconda Copper Mining	54¼	28¼	146 —Feb. 1	95½—July 14	110½	102	103
Continental Tobacco Co. pref.	124	93¼	126½—June 3	115 —Jan. 2	125	121	124
Distilling Co. of America	10½	6⅞	10 —Feb. 3	4 —Aug. 16	5⅛	4¾	4¾
" preferred	34½	23¼	42¾—Apr. 4	31¾—Aug. 19	37½	35	36⅛
General Electric Co.	289¾	183½	334 —Apr. 9	181¾-July 28	197½	182	187
Glucose Sugar Refinding Co.	65	37	51½—Jan. 20	39⅝—Jan. 3	....	....	....
International Paper Co.	28	18½	23⅝—Mar. 20	19 —Jan. 14	21⅛	19¾	20¼
" preferred	81½	69	77½—Jan. 6	72⅝—June 24	75⅝	73	73
International Power	100½	54⅞	199 —Apr. 29	55 —June 4	77	69	70
National Biscuit	46	37	53¼—Mar. 20	43⅝—Jan. 14	48¾	46	46
National Lead Co.	25½	15	32 —Sept. 26	15⅝—Jan. 13	32	23¼	29¾
Pressed Steel Car Co.	52	30	57 —Sept. 30	39 —Jan. 14	57	51	56½
Republic Iron & Steel Co.	24	11¾	24¾—Sept. 8	15⅝—Jan. 2	24¾	19⅞	21¾
" preferred	82	55¼	83⅝—Sept. 10	68 —Jan. 16	83⅝	77¼	79¼
U. S. Leather Co.	16⅝	7¾	15¼—Sept. 22	11½—Feb. 20	15¼	13¼	14½
" preferred	83¾	69½	91¼—Sept. 22	79⅞—Jan. 21	91¼	87½	88¾
U. S. Rubber Co.	34	12½	19¼—Apr. 14	14 —Jan. 2	19¼	16¼	17⅝
" preferred	85	47	64 —Mar. 24	50½—Jan. 14	59¾	55¾	56⅝
U. S. Steel	55	24	46¾—Jan. 7	36¾—June 19	42⅝	38¾	40½
" pref.	101⅞	69	97¾—Jan. 7	87½—June 19	92	87½	89¾

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

Last Sale, Price and Date and Highest and Lowest Prices and Total Sales for the Month.

Note.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	September Sales. High.	September Sales. Low.	September Sales. Total.
Ann Arbor 1st g 4's	1995	7,000,000	Q J	96½	Sept.29,'02	99½	98⅝	31,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	138,117,500	A & O	104	Sept.30,'02	104½	103¾	842,000
" registered			A & O	104½	Sept.19,'02	104½	104½	5,000
" adjustment, g. 4's	1995	31,055,000	NOV	95¾	Sept.30,'02	97	95¾	42,500
" registered			NOV	94½	Apr. 15,'02			
" stamped	1995	20,673,000	M & N	94½	Sept.27,'02	95	94½	166,000
" serial debenture 4's—								
" series A	1903	2,500,000	F & A	97	Aug. 5,'02			
" registered			F & A					
" series B	1904	2,500,000	F & A					
" registered			F & A					
" series C	1905	2,500,000	F & A					
" registered			F & A					
" series D	1906	2,500,000	F & A					
" registered			F & A					
" series E	1907	2,500,000	F & A					
" registered			F & A					
" series F	1908	2,500,000	F & A					
" registered			F & A					
" series G	1909	2,500,000	F & A					
" registered			F & A					
" series H	1910	2,500,000	F & A					
" registered			F & A					
" series I	1911	2,500,000	F & A					
" registered			F & A					
" series J	1912	2,500,000	F & A					
" registered			F & A					
" series K	1913	2,500,000	F & A					
" registered			F & A					
" series L	1914	2,500,000	F & A	95¼	Apr. 28,'02			
" registered			F & A					
" Chic. & St. L. 1st 6's	1915	1,500,000	M & S					
Atl. Knox. & Nor. Ry. 1st g. 5s	1946	1,000,000	J & D	108¼	Dec. 20,'91			
Balt. & Ohio prior lien g. 3½s	1925	69,798,000	J & J	94	Sept.30,'02	95	93½	258,500
" registered			J & J	97	Apr. 26,'02			
" g. 4s	1948	65,963,000	A & O	104	Sept.30,'02	105	103½	299,000
" g. 4s. registered			A & O	104	Sept.16,'02	104	104	6,000
" ten year c. deb. g. 4's	1911	2,168,000	M & S	110	Sept.26,'02	118	110	771,000
Pitt Jun. & M. div. 1st g. 3½s.	1925	11,293,000	M & N	90⅛	Sept.29,'02	90⅞	90	165,500
" registered			Q Feb					
Pitt L. E. & West Va. System refunding g 4s	1941	20,000,000	M & N	97	Sept.23,'02	98½	97	16,000
" Southw'n div. 1st g. 3½s.	1925	41,990,000	J & J	89	Sept.30,'02	90¾	89	406,500
" registered			Q J	90¼	July 16,'01			
Monongahela River 1st g. g., 5's	1919	700,000	F & A	114¼	June27,'02			
Cen. Ohio. Reorg. 1st c. g. 4½'s,	1930	1,018,000	M & S	112	Nov.14,'99			
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,427,000	M & S	117	Sept.29,'02	117	116	18,000
Alleghany & Wn. 1st g. gtd 4's.	1998	2,000,000	A & O					
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	128	June 6,'02			
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	130	May 20,'02			
" cons. 1st 6's,	1922	3,920,000	J & D	127	Aug.13,'02			
Buffalo & Susquehanna 1st g. 5's,	1913	575,000	A & O	100	Nov. 18,'99			
" registered			A & O					
" 1st refundg g. 4's	1951	3,021,000	J & J	103	June16,'02			
" registered			J & J					
Burlington, Cedar R. & N. 1st 5's,	1906	6,500,000	J & D	104½	Sept.12,'02	104½	104½	9,500
" con. 1st & col. tst 5's	1934	7,803,000	A & O	124¾	July 8,'02			
" registered			A & O	124⅝	Feb. 28,'02			
Ced. Rap Ia. Falls & Nor. 1st 5's.	1921	1,905,000	A & O	118	Jan. 27,'02			
Minneap's & St. Louis 1st 7's, g,	1927	150,000	J & D	140	Aug.24,'95			

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. Principal Due	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	September Sales. High.	September Sales. Low.	September Sales. Total.
Canada Southern 1st int. gtd 5's, 1908	14,000,000	J & J	105½	Sept.30,'02	106	105¼	44,000
" 2d mortg. 5's,............1913	6,000,000	M & S	107½	Sept.18,'02	107¾	107½	7,000
" registered....................		M & S	107	Aug. 5,'01	....	....	....
Central Branch U. Pac. 1st g. 4's.1948	2,500,000	J & D	94⅜	Sept. 6,'02	94⅜	94⅜	1,000
Cent. R. & Bkg. Co. of Ga. c. g. 5's, 1987	4,880,000	M & N	109	July 24,'02	....	....	....
Central R'y of Georgia, 1st g. 5's.1945	7,000,000	F & A	122	Sept.27,'02	123	122	33,000
" registered $1,000 & $5,000		F & A	....	....	....	....	....
" con. g. 5's..............1945	16,700,000	M & N	109¾	Sept.30,'02	110⅞	108½	223,000
" con. g. 5's, reg. $1,000 & $5,000		M & N	105½	Sept.18,'01	....	....	....
" 1st. pref. inc. g. 5's......1945	4,000,000	OCT 1	83½	Sept.30,'02	84	80⅛	190,000
" 2d pref. inc. g. 5's.......1945	7,000,000	OCT 1	39	Sept.30,'02	40½	38⅛	390,000
" 3d pref. inc. g. 5's.......1945	4,000,000	OCT 1	27	Sept.24,'02	29½	26	142,000
" Chat. div. pur. my. g. 4's.1951	1,840,000	J & D	92	Aug.21,'02	....	....	....
" Macon & Nor. Div. 1st g. 5's..................1946	840,000	J & J	108¼	Sept. 3,'02	108¼	108¼	1,000
" Mid. Ga. & Atl. div. g 5s.1947	413,000	J & J	102	June29,'99	....	....	....
" Mobile div. 1st g. 5's....1946	1,000,000	J & J	112½	Apr.30,'02	....	....	....
Central Railroad of New Jersey, 1st convertible 7's..1902	1,167,000	M & N	101¼	May 24,'02	....	....	....
" gen. g. 5's..........1987	43,924,000	J & J	136	Sept.25,'02	136	136	11,000
" registered............		Q J	135¾	Aug. 6,'02	....	....	....
Am. Dock & Improvm't Co. 5's, 1921	4,987,000	J & J	113⅜	Aug.21,'02	....	....	....
Lehigh & H. R. gen. gtd g. 5's..1920	1,062,000	J & J	.....	....	....	....	....
Lehigh & W.-B. Coal con. 5's...1912	2,691,000	Q M	106	Mar.27,'02	....	....	....
" con. extended gtd. 4½'s.1910	12,175,000	Q M	102	Sept.15,'02	102	102	1,000
N.Y. & Long Branch gen. g. 4's.1941	1,500,000	M & S	....	....	....	....	....
Charleston & Sav. 1st g. 7's.......1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
Ches. & Ohio 6's, g., Series A......1908	2,000,000	A & O	112	May 27,'02	....	....	....
" Mortgage gold 6's......1911	2,000,000	A & O	114	Sept.16,'02	114	114	3,000
" 1st con. g. 5's............1939	25,858,000	M & N	120	Sept.26,'02	120	119¾	25,000
" registered..................		M & N	116	July 16,'01	....	....	....
" Gen. m. g. 4½'s..........1992	32,833,000	M & S	106	Sept.30,'02	106⅝	105½	221,000
" registered..................		M & S	103	Apr. 18,'01	....	....	....
" Craig Val. 1st g. 5's.....1940	650,000	J & J	113½	Sept.29,'02	113½	113½	1,000
" (R. & A. d.) 1st c. g. 4's, 1989	6,000,000	J & J	103	Sept.17,'02	103	103	1,000
" 2d con. g. 4's............1989	1,000,000	J & J	99½	July 21,'02	....	....	....
" Warm S. Val. 1st g. 5's, 1941	400,000	M & S	102¼	Feb. 20,'02	....	....	....
Greenbrier Ry. 1st gtd. 4's.....1940	2,000,000	M & N	....	....	....	....	....
Chic. & Alton R. R. s. fund g. 6's.1903	1,671,000	M & N	102⅝	July 10,'02	....	....	....
" refunding g. 3's......1949	29,696,000	A & O	85	Sept.15,'02	85½	84½	19,000
" " registered.....		A & O	....	....	....	....	....
Chic. & Alton Ry 1st lien g. 3½'s.1950	22,000,000	J & J	81¼	Sept.29,'02	82¼	81	68,000
" registered................		J & J	83¾	Apr. 16,'02	....	....	....
Chicago, Burl. & Quincy con. 7's.1903	21,699,000	J & J	103⅜	Sept.25,'02	103½	103⅜	27,000
" Chic. & Iowa div. 5's....1905	2,320,000	F & A	104¾	Apr.11,19'	....	....	....
" Denver div. 4's..........1922	5,272,000	F & A	100½	Aug. 7,'02	....	....	....
" Illinois div. 3½s........1949	37,096,000	J & J	99½	Sept.30,'02	99½	98½	54,000
" registered................		J & J	....	....	....	....	....
" (Iowa div.) sink. f'd 5's, 1919	2,566,000	A & O	114¾	Aug. 6,'02	....	....	....
" 4's.......................1919	8,390,000	A & O	104⅝	July 1,'02	....	....	....
" Nebraska extensi'n 4's, 1927	25,900,000	M & N	107¾	Aug.28,'02	....	....	....
" registered................		M & N	112¾	Apr. 17,'01	....	....	....
" Southwestern div. 4's..1921	2,850,000	M & S	100	Mar.20,'02	....	....	....
" 4's joint bonds..........1921	215,153,000	J & J	95¾	Sept.30,'02	96½	95½	2,878,000
" " registered		Q JAN	94½	Sept.25,'02	95¼	94½	24,000
" 5's, debentures..........1913	9,000,000	M & N	108	Sept.15,'02	108½	108	15,000
Han. & St. Jos. con. 6's.......1911	8,000,000	M & S	116⅞	Sept.17,'02	116⅞	116⅞	7,000
Chicago & E. Ill. 1st s. f'd c'y. 6's.1907	2,989,000	J & D	111¾	Sept.17,'02	111¾	111½	3,000
" small bonds.......... ...		J & D	112	Apr. 2,'98	....	....	....
" 1st con. 6's, gold......1934	2,653,000	A & O	139⅞	July 31,'02	....	....	....
" gen. con. 1st 5's.......1937	13,643,000	M & N	123½	Sept.25,'02	123¾	123¼	90,000
" registered...............		M & N	124¾	Mar. 31,'02	....	....	....
Chicago & Ind. Coal 1st 5's 1936	4,626,000	J & J	123½	Sept.16,'02	123½	123½	10,000
Chicago, Indianapolis & Louisville.							
" refunding g. 6's...........1947	4,700,000	J & J	131½	Sept. 8,'02	131½	131½	1,000
" ref. g. 5's..................1947	3,842,000	J & J	117	Sept. 8,'02	117	117	1,000
Louisv. N. Alb. & Chic. 1st 6's..1910	3,000,000	J & J	115	May 9,'02	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highes and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st paid.	Last Sale. Price.	Last Sale. Date.	September Sales. High.	September Sales. Low.	September Sales. Total.
Chicago, Milwaukee & St. Paul.								
Chicago Mil. & St. Paul con. 7's,	1905	2,606,000	J & J	191	Sept.16,'02	191	190	3,000
" terminal g. 5's..........	1914	4,748,000	J & J	112¼	Aug.28,'02	....	....	....
" gen. g. 4's, series A....	1989	23,676,000	J & J	113	Sept.19,'02	113	113	6,000
" registered..............		....	Q J	105½	Feb. 19,'98	....	....	....
" gen. g. 3½'s, series B.	1989	2,500,000	J & J	104¾	Jan. 29,'02	....	....	....
" registered..............			J & J	....		....	....	....
" Chic. & Lake Sup. 5's,	1921	1,360,000	J & J	120½	Mar. 31,'02	....	....	....
" Chic. & M. R. div. 5's,	1926	3,083,000	J & J	124½	Apr. 29,'02	....	....	....
" Chic. & Pac. div. 6's,	1910	3,000,000	J & J	114¼	Aug. 4,'02	....	....	....
" 1st Chic. & P. W. g. 5's.	1921	25,340,000	J & J	118¼	Sept.23,'02	118½	118¼	32,000
" Dakota & Gt. S. g. 5's.	1916	2,856,000	J & J	118	Sept.23,'02	113½	113	10,000
" Far. & So. g. 6's assu...	1924	1,250,000	J & J	137½	July 18,'98	....	....	....
" 1st H'st & Dk. div. 7's,	1910	5,680,000	J & J	120⅝	Aug.19,'02	....	....	....
" 1st 5's..................	1910	990,000	J & J	107⅝	Aug.28,'02	....	....	....
" 1st 7's, Iowa & D, ex,	1908	1,226,000	J & J	182½	Jan. 22,'02	....	....	....
" 1st 5's, La. C. & Dav...	1919	2,500,000	J & J	116	Sept.30,'02	116	116	1,000
" Mineral Point div. 5's,	1910	2,840,000	J & J	108½	July 16,'02	....	....	....
" 1st So. Min. div. 6's....	1910	7,432,000	J & J	115	Sept.18,'02	115	115	2,000
" 1st 6's, Southw'n div.,	1909	4,000,000	J & J	115	Mar. 4,'02	....	....	....
" Wis. & Min. div. g. 5's.	1921	4,755,000	J & J	117⅝	Aug.19,'02	....	....	....
" Mil. & N. 1st M. L. 6's.	1910	2,155,000	J & D	117	Mar. 19,'02	....	....	....
" 1st con. 6's.............	1913	5,092,000	J & D	120½	Aug. 5,'02	....	....	....
Chic. & Northwestern con. 7's...	1915	12,832,000	Q F	135¼	Sept.18,'02	135¼	135¼	5,000
" gold 7's..................	1902	7,293,000	J & D	102	Sept 9,'02	102	102	1,000
" registered gold 7's....	1902		J & D	101⅜	June14,'02	....	....	....
" extension 4's.....	1886-1926	18,632,000	F A 15	107½	Aug.25,'02	....	....	....
" registered..............			F A 15	107	Mar. 7,19'	....	....	....
" gen. g. 3½'s............	1987	13,082,000	M & N	108⅛	June24,'02	....	....	....
" registered			Q F	103	Nov.19,'98	....	....	....
" sinking fund 6's..	1879-1929	5,808,000	A & O	115½	July 22,'02	....	....	....
" registered..............			A & O	111	Oct. 18,19'	....	....	....
" sinking fund 5s'..	1879-1929	6,917,000	A & O	109	Aug.18,'02	....	....	....
" registered..............			A & O	107⅝	May 24,19'	....	....	....
" deben. 5's.............	1909	5,900,000	M & N	108	Aug.27,'02	....	....	....
" registered..............			M & N	108	Oct. 3,'01	....	....	....
" deben. 5's.............	1921	10,000,000	A & O	115½	June24,'02	....	....	....
" registered..............			A & O	114	Oct. 23,'01	....	....	....
" sinking f'd deben. 5's.	1933	9,800,000	M & N	123½	June18,'02	....	....	....
" registered..............			M & N	123	May 28,'01	....	....	....
Des Moines & Minn. 1st 7's.....	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's...	1905	1,600,000	M & S	118	Jan. 23,'01	....	....	....
Northern Illinois 1st 5's........	1910	1,500,000	M & S	109½	Mar. 7,'02	....	....	....
Ottumwa C. F. & St. P. 1st 5's..	1909	1,600,000	M & S	110¼	Aug.30,'01	....	....	....
Winona & St. Peters 2d 7's.....	1907	1,592,000	M & N	116½	June10,'02	....	....	....
Mil., L. Shore & We'n 1st g. 6's.	1921	5,000,000	M & N	133⅞	July 11,'02	....	....	....
" ext. & impt. s.f'd g. 5's	1929	4,148,000	F & A	125	Aug. 8,'02	....	....	....
" Ashland div. 1st g. 6's	1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
" Michigan div. 1st g. 6's.	1924	1,281,000	J & J	139¾	Jan. 10,'02	....	....	....
" con. deb. 5's...........	1907	436,000	F & A	107½	Feb. 21,'01	....	....	....
" incomes..................	1911	500,000	M & N	114¼	Sept.17,'02	114¼	114¼	8,000
Chic., Rock Is. & Pac. 6's coup...	1917	12,500,000	J & J	128¼	Sept.22,'02	128¼	128¼	1,000
" registered..............	1917		J & J	128½	Aug. 4,'02	....	....	....
" gen. g. 4's..............	1988	59,581,000	J & J	109⅝	Sept.30,'02	109¾	108¾	166,000
" registered			J & J	112	Apr. 8,'02	....	....	....
" coll. trust serial 4's.......								
" series A................	1903	1,472,000	M & N	....		....	....	....
" B........................	1904	1,472,000	M & N	....		....	....	....
" C........................	1905	1,472,000	M & N	100¾	July 2,'02	....	....	....
" D........................	1906	1,472,000	M & N	....		....	....	....
" E........................	1907	1,472,000	M & N	....		....	....	....
" F........................	1908	1,472,000	M & N	....		....	....	....
" G........................	1909	1,472,000	M & N	....		....	....	....
" H........................	1910	1,472,000	M & N	99⅝	June30,'02	....	....	....
" I........................	1911	1,472,000	M & N	....		....	....	....
" J........................	1912	1,472,000	M & N	....		....	....	....
" K........................	1913	1,472,000	M & N	....		....	....	....
" L........................	1914	1,472,000	M & N	....		....	....	....
" M........................	1915	1,472,000	M & N	99½	July 10,'02	....	....	....
" N........................	1916	1,472,000	M & N	99⅝	June28,'02	....	....	....
" O........................	1917	1,472,000	M & N	....		....	....	....
" P........................	1918	1,472,000	M & N	....		....	....	....
Des Moines & Ft. Dodge 1st 4's.	1905	1,200,000	J & J	99½	May 20,'01	....	....	....
" 1st 2½'s...............	1905	1,200,000	J & J	91¼	July 8,'02	....	....	....
" extension 4's..............		672,000	J & J	96	Dec. 19,19'	....	....	....
Keokuk & Des M. 1st mor. 5's..	1923	2,750,000	A & O	110½	Apr. 4,'02	....	....	....
" small bond..............	1923	....	A & O	107	Oct. 1,'01	....	....	....

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NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	SEPTEMBER SALES. High.	SEPTEMBER SALES. Low.	SEPTEMBER SALES. Total.
Chic., St.P., Minn.& Oma.con. 6's. 1930	14,500,000	J & D	138	Sept.17,'02	138⅛	138	6,000
{ Chic., St. Paul & Minn. 1st 6's.. 1918	1,948,000	M & N	138½	July 8,'02	....	....	....
{ North Wisconsin 1st mort. 6's.. 1930	767,000	J & J	137⅛	Sept.23,'02	137⅛	137⅛	1,000
{ St. Paul & Sioux City 1st 6's.... 1919	6,070,000	A & O	129	Sept.16,'02	129	129	1,000
Chic., Term. Trans. R. R. g. 4's.. 1947	13,635,000	J & J	89½	Sept.26,'02	90	89	110,000
Chic. & Wn. Ind. gen'l g. 6's...... 1932	9,868,000	Q M	118¼	Aug.20,'02	....	....	....
Chic. & West Michigan R'y 5's... 1921	5,753,000	J & D	109	Apr. 28,'02	....	....	....
Choc., Oklahoma & Glf.gen.g. 5s. 1919	5,500,000	J & J	114½	May 14,'02	....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's. 1905	927,000	A & O	111½	Dec. 9,'01	....	....	....
{ " 2d g. 4½'s.............. 1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
{ Cin., Day. & Ir'n 1st gt. dg. 5's.. 1941	3,500,000	M & N	114¾	July 16,'02	....	....	....
Clev., Cin., Chic.& St.L. gen.g. 4's.. 1993	15,650,000	J & D	101¾	Sept.25,'02	102⅛	101¾	114,000
{ " do Cairo div. 1st g. 4's.. 1939	5,000,000	J & J	102	Apr. 9,'02	....	....	....
{ Cin., Wab. & Mich. div. 1st g. 4's. 1991	4,000,000	J & J	100	Sept.26,'02	100	100	3,000
{ St. Louis div. 1st col. trust g. 4's. 1990	9,750,000	M & N	103¼	Sept.29,'02	103¼	103	6,000
{ " registered................			99	May 4,'99	....	....	....
{ Sp'gfield & Col. div. 1st g. 4's... 1940	1,035,000	M & S	100	June14,'01	....	....	....
{ White W. Val. div. 1st g. 4's.... 1940	650,000	J & J	83	Nov. 22,'99	....	....	....
{ Cin., Ind., St. L. & Chic. 1st g. 4's. 1936	7,685,000	Q F	102¾	Aug.22,'02	....	....	....
{ " registered................			95	Nov. 15,'94	....	....	....
{ " con. 6's................ 1920	668,000	M & N	107½	June30,'93	....	....	....
{ Cin., S'dusky & Clev. con. 1st g. 5's 1928	2,571,000	J & J	114⅛	Sept.19,'01	114⅛	114⅛	7,000
{ Clev., C., C. & Ind. con. 7's...... 1914	3,991,000	J & D	134½	Jan. 7,'02	....	....	....
{ " sink. fund 7's........ 1914		J & D	119⅝	Nov. 19,'89	....	....	....
{ " gen. consol 6's........ 1934	3,205,000	J & J	138	May 9,'02	....	....	....
{ " registered................		J & J	....	....	....	....	....
{ Ind. Bloom. & West. 1st pfd 4's. 1940	981,500	A & O	104½	Nov.19,'01	....	....	....
{ Ohio, Ind. & W., 1st pfd. 5's.... 1938	500,000	Q J	....	....	....	....	....
{ Peoria & Eastern 1st con. 4's... 1940	8,103,000	A & O	100⅛	Sept.29,'02	100⅛	100	11,000
{ " income 4's............ 1990	4,000,000	A	79½	Sept.30,'02	81	75	982,000
Clev., Lorain & Wheel'g con. 1st 5's 1933	5,000,000	A & O	116¼	Aug.16,'02	....	....	....
Clev., & Mahoning Val. gold 5's.. 1938	2,936,000	J & J	127½	Jan. 25,'02	....	....	....
" registered................		Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 4's.......... 1947	8,946,000	J & J	83¼	Sept.30,'02	85⅝	82⅛	615,000
Colorado & Southern 1st g. 4's... 1929	18,850,000	F & A	94	Sept.30,'02	94⅞	92	813,000
Conn., Passumpsic Riv's 1st g. 4's. 1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's.. 1907	3,067,000	M & S	117½	May 1,'02	....	....	....
{ Morris & Essex 1st m 7's........ 1914	5,000,000	M & N	135¾	Sept.18,'02	135¾	135¾	1,000
{ " 1st c. gtd 7's.......... 1915	12,151,000	J & D	137	Sept.26,'02	137	137	12,000
{ " registered................		J & D	140	Oct. 26,'98	....	....	....
{ " 1st refund.gtd.g.3½'s. 2000	7,030,000	J & D	....	....	....	....	....
{ N. Y., Lack. & West'n. 1st 6's... 1921	12,000,000	J & J	135¾	June11,'02	....	....	....
{ " const. 5's.............. 1923	5,000,000	F & A	115⅛	Aug. 4,'02	....	....	....
{ " terml. imp. 4's........ 1923	5,000,000	M & N	102	June28,'02	....	....	....
{ Syracuse, Bing. & N. Y. 1st 7's.. 1906	1,966,000	A & O	114¼	May 28,'02	....	....	....
{ Warren Rd. 1st rfdg.gtd g.3½'s. 2000	905,000	F & A	....	....	....	....	....
Delaware & Hudson Canal.							
{ " 1st Penn. Div. c. 7's... 1917	5,000,000	M & S	143	June 5,'02	....	....	....
{ " reg.................... 1917		M & S	149	Aug. 5,'01	....	....	....
{ Albany & Susq. 1st c. g. 7's..... 1906	3,000,000	A & O	113	Aug.18,'02	....	....	....
{ " registered................		A & O	122	June 6,'99	....	....	....
{ " 6's.................... 1906	7,000,000	A & O	109	June12,'02	....	....	....
{ " registered................		A & O	109½	Nov.16,'01	....	....	....
{ Rens. & Saratoga 1st c. 7's...... 1921	2,000,000	M & N	147½	June 3,'02	....	....	....
{ " 1st r 7's.............. 1921		M & N	147½	June18,'01	....	....	....
Denver & Rio G. 1st con. g. 4's... 1936	32,050,000	J & J	101¼	Sept.30,'02	102⅛	101	93,000
" con. g. 4½'s.............. 1936	6,382,000	J & J	110½	May 26,'02	....	....	....
" impt. m. g. 5's.......... 1928	8,103,500	J & D	109¾	Aug. 1,'02	....	....	....
Denv. & Southern Ry g. s. fg. 5's. 1929	4,923,000	J & D	89	Aug.28,'02	....	....	....
Des Moines Union Ry 1st g. 5's.. 1917	628,000	M & N	111	Feb. 28,'01	....	....	....
Detroit & Mack. 1st lien g. 4s...... 1995	900,000	J & D	102	July 22,'01	....	....	....
" g. 4s.................... 1995	1,250,000	J & D	93½	Aug. 5,'02	....	....	....
Detroit Southern 1st g. 4's....... 1951	2,750,000	J & D	86	Sept. 8,'02	86	86	16,000
" Ohio South. div. 1st g. 4's. 1941	4,000,000	M & S	94	Sept.22,'02	94	93	20,000
Duluth & Iron Range 1st 5's...... 1937	6,734,000	A & O	115	July 23,'02	....	....	....
" registered................		A & O	101½	July 23,'89	....	....	....
" 2d l m 6s................ 1916	2,000,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's.. 1937	4,000,000	J & J	115	Sept.20,'02	115	115	4,000
Elgin Joliet & Eastern 1st g 5's.. 1941	8,352,000	M & N	114	June 5,'02	....	....	....

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	SEPTEMBER SALES. *High.*	SEPTEMBER SALES. *Low.*	SEPTEMBER SALES. *Total.*
Erie 1st ext. g. 4's	1947	2,482,000	M & N	118	May 14,'02	....	....	....
" 2d extended g. 5's	1919	2,149,000	M & S	119¼	June 6,'02	....	....	....
" 3d extended g. 4½'s	1923	4,618,000	M & S	116⅛	Apr. 16,'02	....	....	....
" 4th extended g. 5's	1920	2,926,000	A & O	119½	Sept.13,'02	119½	119½	2,000
" 5th extended g. 4's	1928	709,500	J & D	109¼	Jan. 16,'02	....	....	....
" 1st cons gold 7's	1920	16,890,000	M & S	137½	Sept.26,'02	137½	137	5,000
" 1st cons. fund g. 7's	1920	3,699,500	M & S	136	Sept.16,'02	136	136	1,000
Erie R.R. 1st con.g-4s prior bds.	1996	34,000,000	J&J	99⅛	Sept.29,'02	100⅛	99⅛	198,000
" registered			J&J	98⅛	July 29,'02	....	....	....
" 1st con. gen. lien g. 4s.	1996	34,885,000	J&J	85¾	Sept.30,'02	87⅛	85⅛	594,000
" registered			J&J	....	....	....	....	....
" Penn. col. trust g. 4's.	1951	32,000,000	F & A	92	Sept.29,'02	93⅛	92	92,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	133	Jan. 9,'02	....	....	....
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J	....	....	....	....	....
" small			J&J	....	....	....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	124	Sept.26,'02	124	123⅞	8,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	106	Aug. 5,'02	....	....	....
Long Dock consol. g. 6's	1935	7,500,000	A & O	137¼	June23,'02	....	....	....
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	116¾	Sept.24,'02	116¾	116¾	5,000
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	118⅛	Apr. 23,'02	....	....	....
N. Y. & Greenw'd Lake gt g 5's.	1946	1,452,000	M&N	109	Oct. 27,'98	....	....	....
" small								
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	114⅝	Aug.21,'02	....	....	....
N.Y., Sus.&W. 1st refdg. g. 5's.	1937	3,750,000	J & J	117	May 29,'02	....	....	....
" 2d g. 4½'s	1937	453,000	F & A	103	Apr. 1,'02	....	....	....
" gen. g. 5's	1940	2,546,000	F & A	108	Aug.21,'02	....	....	....
" term. 1st g. 5's	1943	2,000,000	M & N	116⅛	May 3,02'	....	....	....
" registered......$5,000 each			M & N	....	....	....	....	....
Wilkesb. & East. 1st gtd g. 5's.	1942	3,000,000	J & D	114½	Sept. 4,'02	114½	114½	1,000
Evans. & Terre Haute 1st con. 6's.	1921	3,000,000	J & J	121⅛	July 29,'02	....	....	....
" 1st General g 5's	1942	2,223,000	A & O	110	Aug.20,'02	....	....	....
" Mount Vernon 1st 6's	1923	375,000	A & O	112	June 2,'02	....	....	....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sept.15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	115	May 28,'02	....	....	....
Florida Cen. & Penins. 1st g 5's	1918	3,000,000	J & J	100	Sept. 6,'99	....	....	....
" 1st land grant ex. g 5's.	1930	423,000	J & J	....	....	....	....	....
" 1st con. g 5's	1943	4,370,000	J & J	106⅛	Feb. 26,'02	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s.	1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....
Ft. Worth & D. C. ctfs. dep. 1st 6's.	1921	8,176,000	......	114	Sept.29,'02	115⅝	114	229,000
Ft. Worth & Rio Grande 1st g 5's.	1928	2,363,000	J & J	89	Aug.27,'02	....	....	....
Galveston H. & H. of 1882 1st 5s.	1913	2,000,000	A & O	103	Sept.25,'02	105⅛	103	6,000
Geo. & Ala. 1st con. g 5s	1945	2,922,000	J & J	112	Sept.16,'02	112	112	1,000
Ga. Car. & N. Ry. 1st gtd. g. 5's.	1927	5,360,000	J & J	112	Sept.19,'02	112	112	4,000
Gulf & Ship Isl. 1st refg.&ter. 5's.	1952	2,931,000	J & J	....	....	....	....	....
" registered			J & J	....	....	....	....	....
Hock. Val. Ry. 1st con. g. 4½'s.	1999	11,237,000	J & J	108⅞	Sept.29,'02	109¾	108⅞	98,000
" registered			J & J	....	....	....	....	....
Col. Hock's Val. 1st ext. g. 4's.	1848	1,401,000	A & O	106	Aug.15,'02	....	....	....
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	115⅛	Apr. 15,'02	....	....	....
" registered			J&J	113⅛	Mar. 12,19'	....	....	....
" 1st gold 3½'s	1951	2,499,000	J&J	104⅛	Mar. 25,'02	....	....	....
" registered			J&J	102⅛	Apr. 15,'98	....	....	....
" 1st g 3s sterl. £500,000.	1951	2,500,000	M & S	92⅛	July 13,'98	....	....	....
" registered			M & S	....	....	....	....	....
" total outstg....$13,950,000								
" collat. trust gold 4's.	1952	15,000,000	A & O	104⅝	Aug.19,'02	....	....	....
" regist'd			A & O	102	Oct. 4,'01	....	....	....
" col.t.g.4sL.N.O.&Tex.	1953	24,679,000	M & N	105⅛	Sept.23,'02	105⅛	104¾	35,000
" registered			M & N	104⅝	May 20,'02	....	....	....
" Cairo Bridge g 4's	1950	3,000,000	J & D	....	....	....	....	....
" registered			J & D	123	May 24,'99	....	....	....
" Louisville div.g. 3½'s.	1953	14,320,000	J & J	98¾	Sept.25,'02	98¾	98¾	26,000
" registered			J & J	88⅛	Dec. 8,'99	....	....	....
" Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
" St. Louis div. g. 3's	1951	4,939,000	J & J	87⅛	May 24,'02	....	....	....
" registered			J & J	101¼	Jan. 31,19'	....	....	....
" g. 3½'s	1951	6,321,000	J & J	98¾	Sept.30,'02	98¾	98¾	9,000
" registered			J & J	101⅛	Sept.10,'95	....	....	....
" Sp'gfield div 1st g 3½'s,	1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
" registered			J & J	124	Dec. 11,'99	....	....	....
" West'n Line 1st g. 4's,	1951	5,425,000	F & A	111⅛	Aug.12,'02	....	....	....
" registered			F & A	101⅛	Jan. 31,19'	....	....	....
Belleville & Carodt 1st 6's	1923	470,000	J & D	124	May 16,'01	....	....	....

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	SEPTEMBER SALES. *High.*	SEPTEMBER SALES. *Low.*	SEPTEMBER SALES. *Total.*
Carbond'e & Shawt'n 1st g. 4's	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,555,000	J D 15	127¼	Aug.22,'02	....	....	....
" gold 5's, registered			J D 15	124	Sept.24,'01	....	....	....
" g. 3½'s	1951	1,352,000	J D 15	104⅝	Apr. 11,'02	....	....	....
" registered			J D 15	106¼	Aug.17,'99	....	....	....
" Memph. div. 1st g. 4's	1951	3,500,000	J & D	106¾	July 12,'02	....	....	....
" registered			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's	1931	538,000	M & S	101	Mar. 3,'02	....	....	....
Ind., Dec. & West. 1st g. 5's	1935	1,824,000	J & J	108	Sept. 9,'02	108	108	10,000
" 1st gtd. g. 5's	1935	933,000	J & J	105½	Oct. 7,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's	1950	4,850,000	J & J	102¾	Mar. 22,'02	....	....	....
Internat. & Gt. N'n 1st. 6's, gold	1919	9,795,000	M & N	126¼	Sept. 9,'02	126¼	125⅞	36,000
" 2d g. 5's	1909	8,895,000	M & S	100	Sept.15,'02	101	99½	86,000
" 3d g. 4's	1921	2,729,000	M & S	78	Aug.22,'02	....	....	....
Iowa Central 1st gold 5's	1938	7,650,000	J & D	118¼	Sept.23,'02	118¼	118¼	3,000
" refunding g. 4's	1951	2,000,000	M & S	96½	Aug.25,'02	....	....	....
Kansas C. & M. R. & B. Co. 1st gtd g. 5's	1929	3,000,000	A & O	....	....	....	....	....
Kansas City Southern 1st g. 3's	1950	30,000,000	A & O	72	Sept.27,'02	72½	71½	286,000
" registered			A & O	63¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	121	Sept.26,'02	121	121	10,000
" 2d mtge. g. 5's	1941	3,625,000	J & J	118¼	Sept.18,'02	118¼	118¼	2,000
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	115	Sept.26,'02	115	115	10,000
Lehigh Val. (Pa.) coll. g. 5's	1997	8,000,000	M & N	110	Feb. 3,'02	....	....	....
" registered			M & N	....	....	....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s	1940	15,000,000	J&J	110	Sept.17,'02	110¼	110¼	3,000
" registered		....	J&J	109½	June18,'02	...	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's	1941	10,000,000	A & O	118⅜	June21,'02	....	....	....
" registered			A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's	1933	10,280,000	J & J	108½	Sept. 8,'01	108½	108½	5,000
" registered	1933		J & J	....	....	....	....	....
Lehigh & N. Y., 1st gtd g. 4's	1945	2,000,000	M&S	97	July 8,'02	....	....	....
" registered			M&S	....	....	....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....	....	....	....	....
" " g. gtd 5's	1914	1,250,000	A & O	101⅛	Sept. 1,'99	....	....	....
Long Island 1st cons. 5's	1931	3,610,000	Q J	122	Mar. 27,'02	....	....	....
" 1st con. g. 4's	1931	1,121,000	Q J	101	Nov.22,'99	....	....	....
Long Island gen. m. 4's	1938	3,000,000	J & D	103½	Sept.20,'02	103½	103½	9,000
" Ferry 1st g. 4½'s	1922	1,500,000	M & S	103	May 29,'02	....	....	....
" g. 4's	1932	325,000	J & D	102½	May 5,'97	....	....	....
" unified g. 4's	1949	6,360,000	M & S	101	Sept.19,'02	101⅛	100¾	23,000
" deb. g. 5's	1934	1,135,000	J & D	111	Jan. 22,'02	....	....	....
Brooklyn & Montauk 1st 6's	1911	250,000	M & S	....	....	....	....	....
" 1st 5's	1911	750,000	M & S	109½	June17,'96	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's	1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's	1927	883,000	M & S	112½	Jan. 10,'02	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's	1932	1,425,000	QJAN	112½	Apr. 9,'02	....	....	....
Louis. & Nash. gen. g. 6's	1930	8,911,000	J & D	120	Sept.22,'02	120	119	8,000
" gold 5's	1937	1,764,000	M & N	116	June19,'02	....	....	....
" Unified gold 4's	1940	29,276,000	J & J	101¼	Sept.30,'02	102½	101	194,000
" registered	1940		J & J	83	Feb. 27,'93	....	....	....
" collateral trust g. 5's	1931	5,129,000	M & N	116	Sept.22,'02	116	116	5,000
" coll. tr 5-20 g 4's	1903-1918	7,500,000	A & O	100⅝	Sept.27,'02	100¾	100½	64,000
" E., Hend. & N. 1st 6's	1919	1,840,000	J & D	115	May 9,'02	....	....	....
" L. Cin. & Lex. g. 4½'s	1931	3,258,000	M & N	103	Jan. 18,'98	....	....	....
" N. O. & Mobile 1st g. 6's	1930	5,000,000	J & J	130½	Feb. 28,'02	....	....	....
" 2d g. 6's	1930	1,000,000	J & J	124⅝	Apr. 16,'02	....	....	....
" Pensacola div. g. 6's	1920	580,000	M & S	116⅝	Mar. 22,'02	....	....	....
" St. Louis div. 1st g. 6's	1921	3,500,000	M & S	125½	Aug.12,'02	....	....	....
" 2d g. 3's	1980	3,000,000	M & S	75	June20,'02	....	....	....
" H. B'ge 1st sk'fd. g 6's	1931	1,621,000	M & S	....	....	....	....	....
" Ken. Cent. g. 4's	1987	6,742,000	J & J	100	Sept.13,'02	100	100	1,000
" L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	110½	Mar. 20,'02	....	....	....
" N. Fla. & S. 1st g. g. 5's	1937	2,096,000	F & A	114½	Sept.16,'02	114½	114½	10,000
" Pen. & At. 1st g. g. 6's	1921	2,659,000	F & A	114	Sept.22,'02	114	114	1,000
" S. & N. A. con. gtd. g. 5's	1936	3,673,000	F & A	115	Dec. 5,'01	....	....	....
" So. & N. Ala. si'fd. g. 6s	1910	1,942,000	A & O	112	Sept.29,'02	112	112	1,000
Lo. & Jefferson Bdg. Co. gtd. g. 4's	1945	3,000,000	M & S	100	Mar. 19,'01	....	....	....
Manhattan Railway Con. 4's	1990	28,065,000	A & O	105½	Sept.26,'02	105½	104¼	101,000
" registered			A & O	105¼	May 7,'01	....	....	....

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Name.	*Principal Due.*	*Amount.*	*Int'st Paid.*	Last Sale. *Price.*	Last Sale. *Date.*	September Sales. *High.*	September Sales. *Low.*	September Sales. *Total.*
Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	111½	Sept.22,'02	111½	111⅛	7,000
Manitoba Swn. Coloniza'n g. 5's,	1934	2,544,000	J & D	....	....	....	....	....
Mexican Central.								
″ con. mtge. 4's	1911	65,643,000	J & J	81¾	Sept.30,'02	83	80⅞	40,000
″ 1st con. inc. 3's	1939	20,511,000	JULY	29¼	Sept.30,'02	32½	28	687,000
″ 2d 3's	1939	11,724,000	JULY	18½	Sept.30,'02	22	18⅛	53,000
″ equip. & collat. g. 5's	1917	700,000	A & O	....	....	....	....	....
″ 2d series g. 5's	1919	815,000	A & O	....	....	....	....	....
″ col.trust g.4½'s1st se of	1907	10,000,000	F & A	97½	Sept.17,'02	97½	97½	10,000
Mexican Internat'l 1st con g. 4's,	1977	3,362,000	M & S	90⅝	July 29,'01	....	....	....
″ stamped gtd		3,621,000	....	....	....	....	....	....
Mexican Northern 1st g. 6's	1910	1,102,000	J & D	....	....	....	....	....
″ registered			J & D	105	May 2,19'	....	....	....
Minneapolis & St. Louis 1st g. 7's.	1927	950,000	J & D	147½	Jan. 9,'02	....	....	....
″ Iowa ext. 1st g. 7's	1909	1,015,000	J & D	118	June10,'02	....	....	....
″ Pacific ext. 1st g. 6's	1921	1,382,000	J & A	129¼	Aug.21,'02	....	....	....
″ Southw. ext. 1st g. 7's	1910	636,000	J & D	121	Jan. 21,'02	....	....	....
″ 1st con. g. 5's	1934	5,000,000	M & N	123	July 24,'02	....	....	....
″ 1st & refunding g. 4's	1949	7,600,000	M & S	104	Sept.22,'02	104¼	104	15,000
Minneapolis & Pacific 1st m. 5's	1936	3,208,000	J & J	102	Mar.26,'87	....	....	....
″ stamped 4's pay. of int. gtd.				....	....	....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's.	1926	8,280,000	J & J	103	Nov.11.'01	....	....	....
″ stamped pay. of int. gtd.				89¾	June 18,'91	....	....	....
Minn., S. P. & S. S. M., 1st c. g. 4's.	1938	21,949,000	J & J	98	Apr. 3,'01	....	....	....
″ stamped pay. of int. gtd.				....	....	....	....	....
Missouri, K. & T. 1st mtge g. 4's.	1990	39,718,000	J & D	100	Sept.30,'02	100¼	99½	223,000
″ 2d mtge. g. 4's	1990	20,000,000	F & A	83½	Sept.29,'02	85	83½	237,000
″ 1st ext gold 5's	1944	2,548,000	M & N	107⅛	Sept.23,'02	108	106	123,000
St. Louis div. 1st refundg 4s	2001	1,841,000	A & O	87⅛	Aug.26,'02	....	....	....
Dallas & Waco 1st gtd. g. 5's	1940	1,340,000	M & N	106¼	Sept.20,'02	106¼	106¼	3,000
Mo. K.&T. of Tex 1st gtd. g. 5's.	1942	3,597,000	M & S	105¾	Sept.30,'02	106¼	105¾	12,000
Sher.Shrevept & Solst gtd.g.5's	1943	1,689,000	J & D	105½	July 28,'02	....	....	....
Kan. City & Pacific 1st g. 4's	1990	2,500,000	F & A	88½	Sept.25,'02	88½	88½	1,000
Tebo. & Neosho 1st 7's	1903	187,000	J & D	....	....	....	....	....
Mo. Kan. & East'n 1st gtd. g. 5's.	1942	4,000,000	A & O	113	Sept.23,'02	113	113	1,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	123¾	Sept.29,'0	125¾	123¾	24,000
″ 3d mortgage 7's	1906	3,828,000	M & N	113	Aug.15,'02	....	....	....
″ trusts gold 5's stamp'd	1917	14,376,000	M & S	106¼	Sept.30,'02	107¼	106¼	151,000
″ registered			M & S	....	....	....	....	....
″ 1st collateral gold 5's.	1920	9,636,000	F & A	106⅝	Sept.30,'02	106½	106⅜	55,000
″ registered			F & A	....	....	....	....	....
Cent. Branch Ry. 1st gtg. g. 4's.	1919	3,459,000	F & A	92	Sept.18,'02	92⅛	92	12,000
Leroy & Caney Val. A. L. 1st 5's.	1926	520,000	J & J	100	May 1,'01	....	....	....
Pacific R. of Mo. 1st m. ex. 4's.	1938	7,000,000	M & S	105	Aug.14,'02	....	....	....
″ 2d extended g. 5's	1938	2,573,000	F & A	116	June19,'02	....	....	....
St. L. & I. g. con. R.R.&l.gr. 5's	1931	36,418,000	A & O	117	Sept.25,'02	117¼	116½	108,000
″ stamped gtd gold 5's	1931	6,945,000	A & O	114	July 29,'02	....	....	....
″ unify'g & rfd'g g. 4's.	1929	24,195,000	J & J	93	Sept.30,'02	94¼	93	97,000
″ registered			J & J	....	....	....	....	....
Verdigris V'y Ind. & W. 1st 5's.	1926	750,000	M & S	....	....	....	....	....
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	109	Aug.31,19'	....	....	....
″ small		226,000	J & J	....	....	....	....	....
″ mtg. g. 4's	1945	700,000	J & J	93	Apr. 25,'02	....	....	....
″ small		500,000	....	....	....	....	....	....
Mob. Jackson & Kan. City 1st g. 5's.	1946	1,000,000	J & D	102	July 25,'02	....	....	....
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	130¾	Sept.13,'02	130¾	130¾	2,000
″ 1st extension 6's	1927	974,000	J & D	127	Sept. 4,'02	127	127	1,000
″ gen. g. 4's	1938	9,472,000	Q J	99	Aug.12,'02	....	....	....
″ Montg'ry div. 1st g. 5's.	1947	4,000,000	F & A	115¼	Sept.15,'02	116	115¼	13,000
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	101½	June30,'02	....	....	....
″ collateral g. 4's	1930	2,494,000	Q F	96½	Nov. 30,'01	....	....	....
Nashville, Chat. & St. L. 1st 7's	1918	6,300,000	J & J	127	Sept.26,'02	127	127	6,000
″ 1st cons. g. 5's	1928	7,412,000	A & O	116	Sept.20,'02	116	116	8,000
″ 1st g. 6's Jasper Branch.	1923	371,000	J & J	123	Mar. 28,'01	....	....	....
″ 1st 6's McM. M.W. & Al.	1917	750,000	J & J	116	July 31,'02	....	....	....
″ 1st 6's T. & Pb.	1917	300,000	J & J	110	Dec. 20,'99	....	....	....
Nat. R.R. of Mex. prior lien g. 4½'s.	1926	20,000,000	J & J	100	Sept.29,'02	101⅝	100	161,000
″ 1st con. g. 4's	1951	22,000,000	A & O	77½	Sept.30,'02	80	77½	2[illegible]9,000
N. O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108½	Aug.13,'94	....	....	....

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N. Y. Cent. & Hud. R. 1st c. 7's	1903	18,827,000	J & J	102	Sept. 18,'02	102	102	10,000
" 1st registered	1903		J & J	101⅝	Aug. 26,'02	....	....	....
" g. mortgage 3½s	1997	40,426,000	J & J	108¼	Sept. 12,'02	108¼	108¼	3,000
" " registered			J & J	108½	Apr. 2,'02	....	....	....
" debenture 5's	1884-1904	4,499,000	M & S	108¾	Aug. 20,'02	....	....	....
debenture 5's reg			M & S	102½	Apr. 29,'02	....	....	....
" reg. deben. 5's	1889-1904	649,000	M & S	103⅛	Apr. 30,'01	....	....	....
" debenture g. 4's	1890-1905	5,097,000	J & D	101¾	Apr. 11,'02	....	....	....
" registered			J & D	100¼	Jan. 4,'02	....	....	....
" deb. cert. ext. g. 4's	1905	3,609,000	M & N	100½	June 10,'02	....	....	....
" registered			M & N	100⅛	Nov. 21,'01	....	....	....
Lake Shore col. g. 3½s	1998	90,578,000	F & A	94⅛	Sept. 30,'02	94⅛	93⅝	133,000
" registered			F & A	93⅛	Sept. 22,'02	94	93	66,000
Michigan Central col. g. 3½s	1998	19,336,000	F & A	94⅛	Sept. 18,'02	94¼	94	21,000
" registered			F & A	93⅛	Sept. 22,'02	93⅛	93⅛	10,000
Beech Creek 1st. gtd. 4's	1936	5,000,000	J & J	111¼	Oct. 10,'01	....	....	....
" registered			J & J	106	June 17,'98	....	....	....
" 2d gtd. g. 5's	1936	500,000	J & J	....	....	....	....	....
" registered		....	J & J	....	....	....	....	....
" ext. 1st. gtd. g. 3½'s	1951	4,500,000	A & O	....	....	....	....	....
" registered			A & O	....	....	....	....	....
Carthage & Adiron. 1st gtd g. 4's	1981	1,100,000	J & D	....	....	....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A.	1940	770,000	J & J	95	Apr. 3,'02	....	....	....
" small bonds series B		33,100	J & J	....	....	....	....	....
Gouv. & Oswega. 1st gtd g. 5's	1942	300,000	J & D	....	....	....	....	....
Mohawk & Malone 1st gtd g. 4's	1991	2,500,000	M & S	107½	July 6,19'	....	....	....
" inc. 5's	1992	3,900,000	Sept.	110¼	Dec. 6,'01	....	....	....
N. Jersey Junc. R. R. g. 1st 4's	1986	1,650,000	F & A	108	Dec. 14,'01	....	....	....
" reg. certificates			F & A	....	....	....	....	....
N. Y. & Putnam 1st con. gtd g. 4's	1993	4,000,000	A & O	105½	Nov. 15,'96	....	....	....
Nor. & Montreal 1st g. gtd 5's	1916	130,000	A & O	....	....	....	....	....
West Shore 1st guaranteed 4's	2361	50,000,000	J & J	113½	Sept. 30,'02	114½	113½	147,000
" registered			J & J	113	Sept. 30,'02	113¾	113	36,000
Lake Shore con. 2d 7's	1903	6,312,000	J&D	104¼	Sept. 18,'02	104½	104¼	11,000
" con. 2d registered	1903		J&D	104⅝	May 20,'02	....	....	....
" g 3½s	1997	43,820,000	J & D	107¼	Sept. 4,'02	107¼	107¼	2,000
" registered			J & D	111	May 2,19'	....	....	....
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	114	Feb. 6,'02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's	1938	840,000	J & J	....	....	....	....	....
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	127½	Feb. 6,'01	....	....	....
Pitt McK'port & Y. 1st gtd 6's	1932	2,250,000	J & J	146⅝	Apr. 12,'01	....	....	....
" 2d gtd 6's	1934	900,000	J & J	....	....	....	....	....
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J	....	....	....	....	....
Michigan Cent. 6's	1909	1,500,000	M & S	118⅜	Dec. 4,'01	....	....	....
" 5's	1931	3,576,000	M & S	128	June 21,'02	....	....	....
" 5's reg	1931		Q M	127	June 19,'02	....	....	....
" 4's	1940	2,600,000	J & J	110	Dec. 7,'01	....	....	....
" 4's reg			J & J	106½	Nov. 26,19'	....	....	....
" g. 3½'s sec. by 1st mge. on J. L. & S.		2,000,000	M & S	....	....	....	....	....
Battle C. Sturgis 1st g. g. 3's	1989	476,000	J & D	....	....	....	....	....
N. Y. & Harlem 1st mort. 7's c.	1900	12,000,000	M & N	102¾	Mar. 13,19'	....	....	....
" 7's registered	1900		M & N	102¾	Apr. 6,19'	....	....	....
N. Y. & Northern 1st g. 5's	1927	1,200,000	A & O	121½	May 1,'02	....	....	....
R. W. & Og. con. 1st ext. 5's	1922	9,081,000	A & O	121	Sept. 27,'02	121	121	1,000
coup. g. bond currency			A & O	....	....	....	....	....
Oswego & Rome 2d gtd gold 5's	1915	400,000	F & A	113¾	Jan. 25,'02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's	1918	375,000	M & N	....	....	....	....	....
Utica & Black River gtd g. 4's	1922	1,800,000	J & J	108	Sept. 9,'02	108	108	2,000
N. Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	106¼	Sept. 26,'02	107	106	17,000
" registered			A & O	106⅝	Sept. 22,'02	106⅝	106⅝	1,000
N. Y., N. Haven & H. 1st reg. 4's	1903	2,000,000	J & D	100	Dec. 18,'01	....	....	....
" con. deb. receipts	$1,000	15,007,500	A & O	229½	Sept. 12,'02	229½	226	12,500
" small certifs.	$100	1,430,000	......	220	July 19,'02	....	....	....
Housatonic R. con. g. 5's	1937	2,838,000	M & N	135½	Jan. 14,'02	....	....	....
New Haven and Derby con. 5's	1918	575,000	M & N	115½	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's	1905	6,000,000	J & J	114	Jan. 5,19'	....	....	....
" 1st 6's	1905	4,000,000	J & J	106¼	Mar. 18,'02	....	....	....
N. Y., Ont. & W'n. ref'ding 1st g. 4's	1992	16,937,000	M & S	102	Sept. 29,'02	104	102	54,000
" registered $5,000 only.		....	M & S	101½	Nov. 30,'98	....	....	....
Norfolk & Southern 1st g. 5's	1941	1,380,000	M & N	116½	Mar. 25,'02	....	....	....
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	133	Aug. 11,'02	....	....	....
" imp'ment and ext. 6's	1934	5,000,000	F & A	132¼	Aug. 14,'02	....	....	....
" New River 1st 6's	1932	2,000,000	A & O	135	July 1,'02	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	SEPTEMBER SALES. *High*	SEPTEMBER SALES. *Low.*	SEPTEMBER SALES. *Total.*
Norfolk & West. Ry 1st con. g. 4s.	1996		A & O	103	Sept.30,'02	103¾	102½	171,000
" registered		33,210,500	A & O	100½	Jan. 13,'02	....	....	....
" small bonds			A & O	....	....	....	....	....
" Pocahon C.&C.Co.jt.4's.	1941	20,000,000	J & D	94	Sept.30,'02	94½	93	365,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	107½	July 1,'01	....	....	....
" Sci'o Val & N.E.1st g.4's,	1989	5,000,000	J & N	102	Sept.25,'02	102¼	102	49,000
N. P. Ry prior ln ry.&ld.gt.g.4's.	1997	98,868,500	Q J	104¼	Sept.30,'02	104⅞	104¼	464,000
" registered			Q J	104¼	Sept.15,'02	104¼	104¼	4,000
" gen. lien g. 3's	2047	56,000,000	Q F	74¼	Sept.30,'02	74⅞	74	398,000
" registered			Q F	72	Apr. 11,'02	....	....	....
St. Paul & Duluth div. g. 4's.	1996	9,215,000	J & D	102½	May 20,'02	....	....	....
" registered			J & D	....	....	....	....	....
St. Paul & N. Pacific gen g. 6's.	1923	7,985,000	F & A	129⅛	May 1,'02	....	....	....
" registered certificates			Q F	132	July 28,'98	....	....	....
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	122	Apr. 15, 02	....	....	....
" 2d 5's	1917	2,000,000	A & O	112½	Aug. 7,'02	....	....	....
" 1st con. g. 4's	1968	1,000,000	J & D	100	Aug.21,'02	....	....	....
Washington Cen. Ry 1st g. 4's.	1948	1,538,000	QMCH	94½	Feb. 19,'01	....	....	....
Nor. Pacific Term. Co. 1st g. 6's.	1933	3,717,000	J & J	117½	Sept.11,'02	117½	117½	1,000
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	112⅛	June 3,'01	....	....	....
" gen. mortg. g 6's	1937	2,428,000	A & O	108½	July 9,02'	....	....	....
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	113	Sept.26,'02	113	112	26,000
Panama 1st sink fund g. 4½'s	1917	2,526,000	A & O	102⅛	May 14,'02	....	....	....
" s. f. subsidy g 6's	1910	1,202,000	M & N	102	Apr. 14,'02	....	....	....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	111½	Aug. 6,'02	....	....	....
" reg	1921		J & J	110⅜	July 8,'02	....	....	....
" gtd.3½ coi.tr.reg. cts.	1937	5,000,000	M & S	114½	Feb. 15,'99	....	....	....
" gtd.3½ col.tr.cts.serB	1941	10,000,000	F & A	98¼	July 7,'02	....	....	....
" Trust Co. ctfs. g. 3½'s.	1916	20,000,000	M & N	97½	May 12,'02	....	....	....
Chic., St. Louis & P. 1st c. 5's.	1932	1,506,000	A & O	123	July 2,'02	....	....	....
" registered		....	A & O	110	May 3,'92	....	....	....
Clev.&P.gen.gtd.g.4½'s Ser. A.	1942	3,000,000	J & J	121	Oct. 22,19'	....	....	....
" Series B	1942	1,561,000	A & O	....	....	....	....	....
" " int. reduc. 3½ p.c.		439,000	......	....	....	....	....	....
" Series C 3½s	1948	3,000,000	M & N	....	....	....	....	....
" Series D 3½s	1950	1,713,000	F & A	....	....	....	....	....
E.&Pitts. gen.gtd.g.3½s Ser.B.	1940	2,250,000	J & J	102	Nov. 7,19'	....	....	....
" " " C.	1940	1,508,000	J & J	....	....	....	....	....
Newp. & Cin. Bge Co. gtd g. 4's.	1945	1,400,000	J & J	....	....	....	....	....
Pitts., C. C. & St. L. con. g 4½'s..								
" Series A	1940	10,000,000	A & O	115⅛	June17,'02	....	....	....
" Series B gtd	1942	8,786,000	A & O	115⅜	July 1,'02	....	....	....
" Series C gtd	1942	1,379,000	M & N	116⅛	Feb. 14,'01	....	....	....
" Series D gtd. 4's	1945	4,983,000	M & N	106¾	Nov. 4,'01	....	....	....
" Series E gtd. g. 3½s.	1949	11,257,000	F & A	97⅛	June13,'02	....	....	....
Pitts., Ft. Wayne & C. 1st 7's.	1912	2,407,000	J & J	128¾	Aug. 4,'02	....	....	....
" 2d 7's	1912	2,047,500	J & J	128¾	Aug.12,'02	....	....	....
" 3d 7's	1912	2,000,000	A & O	130	Apr. 11,'01	....	....	....
Penn. RR. Co. 1st Rl Est. g 4's.	1923	1,675,000	M & N	110½	Mar. 8,'02	....	....	....
con. sterling gold 6 per cent	1905	22,762,000	J & J	....	....	....	....	....
con. currency, 6's registered	1905	4,718,000	Q M 15	....	....	....	....	....
con. gold 5 per cent	1919	4,998,000	M & S	....	....	....	....	....
" registered			Q M	....	....	....	....	....
con. gold 4 per cent	1943	3,000,000	M & N	....	....	....	....	....
Allegh. Valley gen. gtd. g. 4's.	1942	5,389,000	M & S	110	Aug.28,19'	....	....	....
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	112¾	Mar. 7,19'	....	....	....
Del.R. RR.& BgeCo 1stgtdg.4's,	1936	1,300,000	F & A	....	....	....	....	....
G.R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	111	Sept.19,'02	111	111	2,000
Sunbury & Lewistown 1st g.4's.	1936	500,000	J & J	....	....	....	....	....
U'd N.J. RR. & Can Co. g 4's.	1944	5,646,000	M & S	117	May 1,19'	....	....	....
Peoria & Pekin Union 1st 6's	1921	1,495,000	Q F	130¼	Feb. 10,'02	....	....	....
" 2d m 4½'s	1921	1,499,000	M & N	101	Oct. 31,19'	....	....	....
Pere Marquette.								
Flint & Pere Marquette g. 6's.	1920	3,999,000	A & O	125	June28,'02	....	....	....
" 1st con. gold 5's	1939	2,850,000	M & N	112½	Aug.28,'02	....	....	....
" Port Huron d 1st g 5's.	1939	3,325,000	A & O	114⅞	Sept.16,'02	114⅞	114⅝	15,000
Sag'w Tusc. & Hur.1st gtd.g.4's.	1931	1,000,000	F & A	....	....	....	....	....
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93	....	....	....
Pittsburg, Clev. & Toledo 1st 6's.	1922	2,400,000	A & O	107½	Oct. 26,'93	....	....	....

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	September Sales. High.	September Sales. Low.	September Sales. Total.
Pittsburg, Junction 1st 6's	1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A.	1928	2,000,000	A & O	112	Mar. 25,'93	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's,	1940	3,000,000	A & O	121	May 2,'02	....	....	....
" 1st cons. 5's	1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....
Pittsburg & West'n 1st gold 4's,	1917	1,589,000	J & J	102½	June19,'02	....	....	....
" J. P. M. & Co., ctfs.,	....	8,111,000	......	101	Apr. 23,'02	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's,	1927	1,562,000	M & N	111	June 3,'02	....	....	....
Reading Co. gen. g. 4's	1997	64,695,000	J & J	98¼	Sept.30,'02	99½	97½	567,000
" registered			J & J	92	Apr. 16,19'	....	....	....
" Jersey Cent. col. g. 4's	1957	23,000,000	......	96	Sept.30,'02	96⅛	95⅛	243,000
" " registered		....	......	....		....	....	....
Rio Grande West'n 1st g. 4's	1939	15,200,000	J & J	99	Sept.30,'02	100¾	99	83,000
" mge & col.tr.g.4's ser.A.	1949	10,000,000	A & O	94¼	Sept.10,'02	94¼	94	15,000
" Utah Cen. 1st gtd. g. 4's,	1917	550,000	A & O	97	Jan. 3,02'	....	....	....
Rio Grande Junc'n 1st gtd. g. 5's,	1939	1,850,000	J & D	114	May 13,'02	....	....	....
Rio Grande Southern 1st g. 4's	1940	2,243,000	J & J	80⅛	July 3,'02	....	....	....
" guaranteed		2,277,000	......	92¾	Aug.29,'02	....	....	....
Rutland RR 1st con. g. 4½ s	1941	2,440,000	J & J	....		....	....	....
Ogdnsb.&L.Ch'n.Ry.1st gtd g4s	1948	4,400,000	J & J	....		....	....	....
Rutland Canadian 1st gtd.g.4's.	1949	1,350,000	J & J	101¼	Nov.18,'01	....	....	....
Salt Lake City 1st g. sink fu'd 6's,	1913	297,000	J & J	....		....	....	....
St. Jo. & Gr. Isl. 1st g. 2.342	1947	3,500,000	J & J	97	Sept.29,'02	97½	96¾	32,000
St. L. & Adirondack Ry. 1st g. 5's.	1996	800,000	J & J	....		....	....	....
" 2d g. 6's	1996	400,000	A & O	....		....	....	....
St. Louis & San F. 2d 6's, Class B.	1906	999,000	M & N	107¾	Sept.22,'02	107¾	107¾	2,000
" 2d g. 6's, Class C	1906	830,000	M & N	108¼	Aug.14,'02	....	....	....
" gen. g. 6's	1931	3,715,000	J & J	130⅛	July 10,'02	....	...	....
" gen. g. 5's	1931	5,817,000	J & J	118⅛	Sept.29,'02	118⅛	116	7,000
St. L & San F. R. R. con. g. 4's.	1906	1,595,000	J & D	101	Sept.10,'02	101	101	11,000
" S. W. div. g. 5's	1947	830,000	A & O	100	Jan. 3,'02	....	.	....
" refunding g. 4's	1951	40,514,000	J & J	95¾	Sept.30,'02	95¾	94½	94,000
" " registered			J & J	....		....	....	....
Kan. Cy Ft.S.&MemRRcong6's	1928	13,736,000	M & N	125⅛	June16,'01	....	....	....
Kan.Cy Ft.S &MRyrefggtd g4s.	1936	12,055,000	A & O	91	Sept.30,'02	92⅛	91	396,000
" registered			A & O	....		....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs.,	1989	20,000,000	M & N	99	Sept.30,'02	100	99	119,000
" 2d g. 4's inc. Bd. ctfs	1989	3,272,500	J & J	88½	Sept.25,'02	89⅛	88⅛	15,000
" Trust Co. certifs		6,727,500	......	81⅝	June30,'02	....	....	....
" con. g. 4's	1932	12,054,000	J & D	89⅛	Sept.23,'02	90⅛	88⅛	200,000
Gray's Point, Term. 1st gtd. g. 5's.	1947	339,000	J & D	....		....	....	....
St. Paul, Minn. & Manito'a 2d 6's	1909	7,503,000	A & O	115¼	June12,'02	....	....	....
" 1st con. 6's	1933	13,344,000	J & J	137⅞	Aug.22,'02	....	....	....
" 1st con. 6's, registered			J & J	140	May 14,'02	....	....	....
" 1st c. 6's, red'd to g. 4½'s		20,176,000	J & J	113⅛	Sept 15,'02	113⅛	113⅛	2,000
" 1st cons. 6's register'd			J & J	115¼	Apr. 15,'01	....	....	....
" Dakota ext'n g. 6's	1910	5,576,000	M & N	115¼	Aug.15,'02	....	....	....
" Mont. ext'n 1st g. 4's	1937	10,185,000	J & D	106	Sept.25,'02	106	106	5,000
" registered			J & D	106	May 6,'01	....	....	....
Eastern R'y Minn, 1st d. 1st g. 5's	1908	4,700,000	A & O	107½	Sept.26,'02	107½	107½	1,000
" registered			A & O	....		....	....	....
" Minn. N. div. 1st g. 4's	1940	5,000,000	A & O	....		....	....	....
" registered			A & O	....		....	....	....
Minneapolis Union 1st g. 6's	1922	2,150,000	J & J	128	Apr. 4,19'	....	....	....
Montana Cent. 1st 6's int. gtd	1937	6,000,000	J & J	133½	Sept.27,'02	133½	133½	2,000
" 1st 6's, registered			J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's	1937	4,000,000	J & J	124½	June12,'02	....	....	....
" registered			J & J	....		....	....	....
Willmar & Sioux Falls 1st g. 5's,	1938	3,625,000	J & D	125½	Feb. 17,'02	....	....	....
" registered			J & D	....		....	....	....
San Fe Pres.& Phoe.Ry.1st g.5's.	1942	4,940,000	M & S	111	Aug.15,'01	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's,	1919	3,872,000	J & J	113¾	Dec. 11,'01	....	....	....
Sav. Florida & Wn. 1st c. g. 6's	1934	4,056,000	A & O	128	Dec. 31,'01	....	....	....
" 1st g. 5's	1934	2,444,000	A & O	112	Mar. 17,'99	....	....	....
" St. John's div. 1st g. 4's.	1934	1,350,000	J & J	95¼	Nov.30,'01	....	....	....
Alabama Midland 1st gtd. g. 5s.	1928	2,800,000	M & N	110	May 28,'02	....	....	....
Brunsw. & West. 1st gtd. g. 4's	1938	3,000,000	J & J	87	Aug.22,'01	....	....	....
Sil.S.Oc.& G.R.R.& lg. gtd. g. 4's.	1918	1,107,000	J & J	95	July 10,'02	....	....	....
Seaboard Air Line Ry g. 4's	1950	12,775,000	A & O	88½	Sept.30,'02	89	86¾	242,000
" registered			A & O	....		....	....	....
" col. trust refdg g. 5's	1911	8,716,000	M & N	103½	Sept.30,'02	104¾	103½	52,000

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Seaboard & Roanoke 1st 5's	1926	2,500,000	J & J	104¾	Feb. 5,'98	....	....	....
Carolina Central 1st con. g. 4's	1949	2,847,000	J & J	97	Sept.23,'02	98	97	19,000
Sodus Bay & Sout'n 1st 5's, gold	1924	500,000	J & J	100	Dec. 4,'01	....	....	....
Southern Pacific Co.								
〃 2-5 year col. trust g. 4½'s	1905	15,000,000	J & D	99	Sept.30,'02	100¼	99	136,000
〃 g. 4's Central Pac. coll.	1949	28,818,500	J & D	94	Sept.30,'02	95	93¼	448,500
〃 〃 registered			J & D	95	Apr. 10,'02	....	....	....
Austin & Northw'n 1st g. 5's	1941	1,920,000	J & J	111	June26,'01	....	....	....
Cent. Pac. 1st refud. gtd. g. 4's	1949	58,041,000	F & A	100⅛	Sept.26,'02	101	100¼	138,000
〃 registered			F & A	99⅝	June 1,19'	....	....	....
〃 mtge. gtd. g. 3½'s	1929	19,027,500	J & D	87⅛	Sept.29,'02	89¼	87⅛	202,000
〃 〃 registered			J & D	....	....	....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's	1910	4,756,000	F & A	113	June27,'02	....	....	....
〃 2d g 7's	1905	1,000,000	J & D	108	Mar. 26,'02	....	....	....
〃 Mex. & P. div 1st g 5's	1931	13,418,000	M & N	110¼	Apr. 28,'02	....	....	....
Gila Val. G. & N'n 1st gtd g 5's	1924	1,514,000	M & N	108	May 14,'02	....	....	....
Houst. E. & W. Tex. 1st g. 5's	1933	501,000	M & N	103	Aug.18,'02	....	....	....
〃 1st gtd. g. 5's	1933	2,199,000	M & N	104⅛	July 13,19'	....	....	....
Houst. & T.C. 1st g 5's int. gtd.	1937	5,960,000	J & J	110½	Sept 30,'02	111	110⅛	26,000
〃 con. g 6's int. gtd.	1912	2,911,000	A & O	113⅛	June25,'02	....	....	....
〃 gen. g 4's int. gtd.	1921	4,287,000	A & O	98	Sept. 5,'02	97	96	19,000
〃 W&Nwn. div. 1st. g. 6's	1930	1,105,000	M & N	127⅛	Feb. 27,'02	....	....	....
Morgan's La & Tex. 1st g 6's	1920	1,494,000	J & J	122	Sept.15,'02	122	122	3,000
〃 1st 7's	1918	5,000,000	A & O	134⅛	July 28,'02	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's	1912	1,465,000	A & O	....	....	....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's	1907	3,964,000	J & J	94	Nov. 30,'97	....	....	....
〃 gtd. g. 5's		4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's	1927	19,357,000	J & J	105⅛	Nov. 7,'01	....	....	....
San Ant. & Aran Pass 1st gtd g 4's	1943	18,900,000	J & J	88½	Sept.27,'02	89⅞	88	109,000
South'n Pac. of Ariz. 1st 6's	1909	6,000,000	J & J	112¾	Apr. 18,'02	....	....	....
〃 〃 〃	1910	4,000,000	J & J	112¼	Aug. 7,'02	....	....	....
〃 of Cal. 1st g 6's ser. A.	1905	20,756,500	A & O	105⅛	June 6,'02	....	....	....
〃 〃 〃 ser. B.	1905		A & O	108	Dec. 23,'01	....	....	....
〃 〃 〃 C. & D.	1906		A & O	110⅝	Jan. 14,'02	....	....	....
〃 〃 〃 E. & F.	1902		A & O	114⅛	Nov. 3,'99	....	....	....
〃 〃 〃	1912	....	A & O	119⅛	June13,'01	....	....	....
〃 1st con. gtd. g 5's	1937	6,809,000	M & N	107	Nov. 27,19'	....	....	....
〃 stamped	1905-1937	20,420,000	......	110¼	Sept.25,'02	110¼	110	83,000
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J	....	....	....	....	....
〃 of N. Mex. c. 1st 6's	1911	4,180,000	J & J	116¼	Apr. 3,'00	....	....	....
Tex. & New Orleans 1st 7's	1905	915,000	F & A	108	May 20,'02	....	....	....
〃 Sabine div. 1st g 6's	1912	2,575,000	M & S	114⅛	Feb. 14,'02	....	....	....
〃 con. g 5's	1943	1,620,000	J & J	108½	July 29,'01	....	....	....
Southern Railway 1st con. g 5's	1994	35,304,000	J & J	118¾	Sept.30,'02	122	118¾	153,000
〃 registered			J & J	122	Jan. 2,'02	....	....	....
Mob. & Ohio collat. trust g. 4's	1938	7,855,000	M & S	97¼	Sept.22,'02	97¼	97¼	7,000
〃 registered			M & S	....	....	....	....	....
〃 Memph. div. 1st g. 4-4½-5's	1996	5,083,000	J & J	115	Mar. 18,'02	....	....	....
〃 registered			J & J	....	....	....	....	....
〃 St. Louis div. 1st g. 4's	1951	11,250,000	J & J	100⅛	Sept. 5,'02	100⅛	100⅛	2,000
〃 〃 registered			J & J	....	....	....	....	....
Alabama Central, 1st 6's	1918	1,000,000	J & J	120	Mar. 25,'01	....	....	....
Atlantic & Danville 1st g. 4's	1948	3,925,000	J & J	98	Sept.17,'02	98	98	2,000
Atlantic & Yadkin, 1st gtd g 4s	1949	1,500,000	A & O	....	....	....	....	....
Col. & Greenville, 1st 5-6's	1916	2,000,000	J & J	120	Sept.10,'02	120	119	13,000
East Tenn., Va. & Ga. div. g. 5's	1930	3,106,000	J & J	116¾	Aug. 4,'02	....	....	....
〃 con. 1st g 5's	1956	12,770,000	M & N	122	Sept.20,'02	122½	122	5,000
〃 reorg. lien g 4's	1938	4,500,000	M & S	114	Sept.29,'02	114	114	2,000
〃 registered			M & S	....	....	....	....	....
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	126¼	Sept.13,'02	126¼	126¼	10,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	126¼	June17,'02	....	....	....
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	121	July 24,'02	....	....	....
〃 equip. sink. f'd g 5's	1909	818,000	M & S	101¼	July 20,19'	....	....	....
〃 deb. 5's stamped	1927	3,368,000	A & O	111½	May 1,'02	....	....	....
Rich. & Mecklenburg 1st g. 4's	1948	315,000	M & N	92	Sept. 9,'02	92	92	6,000
South Caro'a & Ga. 1st g. 5's	1919	5,250,000	M & S	110⅛	Sept.17,'02	111	110⅛	7,000
Vir. Midland serial ser. A 6's	1906	600,000	M & S	....	....	....	....	....
〃 small			M & S	....	....	....	....	....
〃 ser. B 6's	1911	1,900,000	M & S	....	....	....	....	....
〃 small			M & S	....	....	....	....	....
〃 ser. C 6's	1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
〃 small			M & S	....	....	....	....	....
〃 ser. D 4-5's	1921	950,000	M & S	102	Oct. 13,'99	....	....	....
〃 small			M & S	....	....	....	....	....
〃 ser. E 5's	1926	1,775,000	M & S	114	Sept.10,'01	....	....	....
〃 small			M & S	....	....	....	....	....
〃 ser. F 5's	1931	1,310,000	M & S	114	Sept. 9,'02	114	114	2,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	September Sales. High.	September Sales. Low.	September Sales. Total.
Virginia Midland gen. 5's......	1936	2,392,000	M & N	117	Sept.10,'02	117⅛	117	6,000
• gen.5's. gtd. stamped.	1926	2,466,000	M & N	116⅛	Dec. 30,'01	....	....	....
W. O. & W. 1st cy. gtd. 4's.....	1924	1,025,000	F & A	98	Apr. 22,'02	....	....	....
W. Nor. C. 1st con. g 6's........	1914	2,531,000	J & J	118⅛	Sept. 5,'02	118½	118½	1,000
Spokane Falls & North.1st g.6's..	1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl.Ry.N.Y.1stgtd.g.4½'s.	1943	500,000	J & D	104¼	Sept. 2,'02	104⅛	104⅛	1,000
Ter. R. R. Assn. St. Louis 1g 4½'s.	1939	7,000,000	A & O	114⅛	Mar. 11,'02	....	....	....
• 1st con. g. 5's.....	1894-1944	4,500,000	F & A	118	Aug.28,'02	....	....	....
St. L. Mers. bdg. Ter. gtd g. 5's.	1930	3,500,000	A & O	115⅛	May 15,'02	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th	1905	3,055,000	M & S	101¾	Sept.25,19'	101¾	101¾	3,000
• 1st gold 5's.............	2000	21,986,000	J & D	120⅛	Sept.30,'02	121½	120	83,000
• 2d gold income, 5's......	2000	963,000	MAR.	99½	Sept.10,'02	99½	99½	17,000
• La. Div.B.L. 1st g.5's...	1931	2,661,000	J & J	111	June18,'01	....	....	....
Toledo & Ohio Cent. 1st g 5's....	1935	3,000,000	J & J	114	Sept.17,'02	114	114	2,000
• 1st M. g 5's West. div...	1935	2,500,000	A & O	112½	Nov.18,'01	....	....	....
• gen. g. 5's....	1935	2,000,000	J & D	109	Sept.29,'02	109	109	1,000
• Kanaw & M. 1st g. g. 4's.	1990	2,469,000	A & O	98⅛	Sept.27,'02	98⅛	98⅛	3,000
Toledo Peoria & W. 1st g 4's....	1917	4,900,000	J & D	92	Aug.13,'02	....	....	....
Tol., St.L.&Wn. prior lien g 3½'s.	1925	9,000,000	J & J	90¼	Sept. 3,'02	90¼	90¼	1,000
• registered..................			J & J	....		....	....	....
• fifty years g. 4's........	1925	6,500,000	A & O	82¾	Sept.26,'02	84	82⅛	235,000
• registered..................			A & O	....		...	....	....
Toronto,Hamilton &Buff 1st g 4s.	1946	3,280,000	J & D	98⅛	Aug.14,'02	....	....	....
Ulster & Delaware 1st c. g 5's....	1925	1,852,000	J & D	112⅛	Aug.21,'02	....	....	....
Union Pacific R. R. & ld gt g 4s...	1947	100,000,000	J & J	104¾	Sept.30,'02	105¼	104½	630,000
• registered................			J & J	105¼	Sept.16,'02	105¼	105¼	5,000
• 1st lien con. g. 4's......	1911	87,283,000	M & N	109¾	Sept.30,'02	113⅞	107½	22,202,000
• registered................			M & N	106	Apr. 14,'02	....	....	....
Oreg. R. R. & Nav.Co.con. g 4's.	1946	21,482,000	J & D	103⅛	Sept.27,'02	104	103	38,000
Oreg. Short Line Ry. 1st g. 6's.	1922	13,651,000	F & A	126	Sept.29,'02	126⅞	125⅛	24,000
• 1st con. g. 5's.1946..........		12,328,000	J & J	116	Sept.26,'02	117¼	116	17,000
• 4's&participat'g g.bds.	1927	31,000,000	F & A	93¾	Sept.30,'02	96	92⅞	3,096,000
• registered................			F & A	....		....	....	....
Utah & Northern 1st 7's........	1908	4,993,000	J & J	117½	June20,'01	....	....	....
• g. 5's..................	1926	1,877,000	J & J	114½	Apr. 19,'02	....	....	....
Wabash R.R. Co., 1st gold 5's....	1939	31,664,000	M & N	118⅛	Sept.29,'02	120¼	118	37,000
• 2d mortgage gold 5's...	1939	14,000,000	F & A	110	Sept.29,'02	110¼	109	91,000
• deben. mtg series A...	1939	3,500,000	J & J	100	July 11,'02	....	....	....
• series B.................	1939	26,500,000	J & J	84	Sept.30,'02	89	77⅞	21,190,000
• first lien eqpt. fd.g. 5's.	1921	3,000,000	M & S	107	Aug.19,'02	....	....	....
• 1st g.5's Det.& Chi.ex..	1940	3,411,000	J & J	109½	Aug. 5,'02	....	....	....
• Des Moines div.1st g.4s.	1939	1,600,000	J & J	97	May 12,'02	....	....	....
• Omaha div. 1st g. 3½s..	1941	3,500,000	A & O	88¼	Sept.17,'02	88⅛	88¼	10,000
• Tol. &Chic.div.1st g.4's.	1941	3,000,000	M & S	98	Mar. 17,'02	....	....	....
St.L.,K.C.& N.St.Chas. B.1st6's	1908	1,000,000	A & O	111	Sept.11,'02	111	110⅛	7,000
Western N.Y. & Penn. 1st g. 5's..	1937	10,000,000	J & J	119¾	Aug.13,'02	....	....	....
• gen g. 3-4's..............	1943	9,789,000	A & O	101¾	Sept.26,'02	102	101¾	11,000
• inc. 5's..................	1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va.Cent'l & Pitts.1st g. 6's.	1911	3,250,000	J & J	114½	Jan. 20,'02	....	....	....
Wheeling & Lake Erie 1st g. 5's.	1926	2,000,000	A & O	113	Apr. 28,'02	....	....	....
• Wheeling div. 1st g. 5's.	1928	894,000	J & J	113	Sept. 9,'02	113	113	5,000
• exten. and imp. g. 5's...	1930	343,000	F & A	113	Dec. 24,19'	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's..	1949	11,130,000	M & S	93⅝	Sept.27,'02	94⅛	93½	28,000
Wisconsin Cen. R'y 1st gen. g. 4s.	1949	24,635,000	J & J	93	Sept.29,'02	93½	92½	399,000
STREET RAILWAY BONDS.								
Brooklyn Rapid Transit g. 5's...	1945	6,625,000	A & O	107⅞	Sept.29,'02	108¼	107⅞	7,000
• Atl. av.Bkn .imp. g.5's,	1934	1,500,000	J & J	110	Jan. 20,'99	....	....	....
• City R. R. 1st c. 5's 1916.	1941	4,373,000	J & J	114	May 28,'02	....	....	....
• Qu. Co. & Sur. con. gtd. g. 5's.................	1941	2,255,000	M & N	103	Sept.17,'02	103	103	1,000
• Union Elev. 1st. g. 4-5s.	1950	16,000,000	F & A	101	Sept.26,'02	102¾	101	115,000
• stamped guaranteed......			......	101¼	July 24,'02	....	....	....
Kings Co. Elev. R. R. 1st g. 4's.	1949	7,000,000	F & A	86⅛	Sept.29,'02	88	86⅛	24,000
• stamped guaranteed......			......	....		....	....	....
Nassau Electric R. R. gtd. g. 4's.	1951	10,474,000	J & J	....		....	....	....
City & Sub. R'y, Balt. 1st g. 5's...	1922	2,430,000	J & D	105⅜	Apr. 17,'95	....	....	....
Conn.Ry.& Lightg 1st&rfg.g4½'s.	1951	8,355,000	J & J	98	Apr. 10,'02	....	....	....
Denver Con. T'way Co. 1st g. 5's.	1933	730,000	A & O	97⅛	June13,19'	....	....	....
Denver T'way Co. con. g. 6's....	1910	1,219,000	J & J	....		....	....	....
Metropol'n Ry Co. 1st g. g. 6's.	1911	913,000	J & J	....		....	....	....
DetroitCit'ensSt.Ry.1stcon.g.5's.	1905	5,485,000	J & J	103	Nov.23,'01	....	....	....
Grand Rapids Ry 1st g. 5's.......	1916	2,500,000	J & D	....		....	....	....
Louisville Railw'y Co. 1st c. g. 5's,	1930	4,600,000	J & J	109	Mar. 19,'98	....	....	....
Market St. Cable Railway 1st 6's,	1913	3,000,000	J & J	....		....	....	....

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Metro. St. Ry N.Y.g. col. tr.g.5's.1997	12,500,000	F & A	119	Sept.23,'02	120	119	66,000
" refunding 4's..........2002	12,780,000	A & O	98¼	Sept.20,'02	99	98¼	30,000
B'way & 7th ave. 1st con. g. 5's, 1943	7,650,000	J & D	118⅜	Sept. 8,'02	118⅜	118⅜	10,000
" registered		J & D	119½	Dec. 3,19'	....	....	....
Columb. & 9th ave.1st gtd g 5's, 1993	3,000,000	M & S	122½	June 3,'02	....	....	....
" registered..................		M & S	....		....	....	....
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	123¼	July 24,'02	....	....	....
" registered..................		M & S	....		....	....	....
Third Ave. R.R. 1st c.gtd.g.4's..2000	35,000,000	J & J	98¼	Sept.30,'02	98¾	97	369,000
" registered..................		J & J	....		....	....	....
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	125	July 3,'02	....	....	....
Met. West Side Elev.Chic.1st g.4's.1938	10,000,000	F & A	101	Aug.25,'02	....	....	....
" registered..................		F & A	....		....	....	....
Mil.Elec.R.&Light con.30yr.g.5's.1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's......................1919	4,050,000	J & J	110	June26,'01	....	....	....
St. Paul City Ry. Cable con.g.5's.1937	2,480,000	J&J15	114½	Nov.14,'01	....	....	....
" gtd. gold 5's 1937	1,138,000	J & J	112	Nov.28,'99	....	....	....
Union Elevated (Chic.) 1st g.5's.1945	4,387,000	A & O	109½	Dec. 14,'99	....	....	....
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N	....		....	....	....
" 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....
MISCELLANEOUS BONDS.							
Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	104⅛	Sept.30,'02	105	104	35,500
Am.Steamship Co.of W.Va.g.5's 1920	5,452,000	M & N	100¾	June 4,'02	....	....	....
B'klynFerryCo.ofN.Y.1stc.g.5's.1948	6,500,000	F & A	80⅞	Sept.13,'02	80⅞	80⅞	4,000
Chic. Junc. & St'k Y'ds col. g. 5's.1915	10,000,000	J & J	111	Mar. 7,'01	....	....	....
De.Mac.&.Mar.ld.gt.3½'s sem.an.1911	2,771,000	A & O	83¼	Sept.30,'02	91¼	78	878,000
Hackensack Wtr Reorg. 1st g. 5's.1926	1,090,000	J & J	107⅛	June 3,'92	....	....	....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g. 5's....1919	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's.1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuilding & Dry Dock 5's............1890–1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's...1951	11,580,000	F & A	95¼	Sept.30,'02	96	95¼	53,000
" registered..................		F & A	....		....	....	....
St.Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & J	....		....	....	....
St. Louis Terml. Cupples Station & Property Co. 1st g 4½'s 5-20..1917	3,000,000	J & D	....		....	....	....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	101	Feb. 19,'97	....	....	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	113½	Dec. 18,19'	....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series D 4½'s 1901–1916	1,000,000	J & J	....		....	....	....
" E 4's 1907–1917	1,000,000	J & D	....		....	....	....
" F 4's 1908–1918	1,000,000	M & S	....		....	....	....
" G 4's...............1903–1918	1,000,000	F & A	100	Mar. 15,19'	....	....	....
" H 4's...............1903–1918	1,000,000	M & N	....		....	....	....
" I 4's...............1904 1919	1,000,000	F & A	....		....	....	....
" J 4's...............1904–1919	1,000,000	M & N	....		....	....	....
" K 4's...............1905–1920	1,000,000	J & J	....		....	....	....
Small bonds......................	....	......	....		....	....	....
BONDS OF MANUFACTURING AND INDUSTRIAL CORPORATIONS.							
Am. BicycleCo.sink.fund deb.5's.1919	9,234,000	M & S	45	Sept.29,'02	60	45	372,000
Am. Cotton Oil deb. ext. 4½'s.r..1915	2,919,000	......	100½	Sept.25,'02	100½	100½	1,000
Am. Hide & Lea. Co. 1st s. f. 6's...1919	8,375,000	M & S	98	Sept.30,'02	99	96¼	126,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & S	91½	Aug.21,'02	....	....	....
Am.Thread Co..1st coll.trust 4's.1919	6,000,000	J & J	82	June25,'02	....	....	....
Barney & Smith Car Co. 1st g. 6's.1942	1,000,000	J & J	105	Jan. 10,19'	....	....	....
Consol. Tobacco Co. 50 year g. 4's.1951	156,516,800	F & A	68½	Sept.30,'02	69	66½	14,256,000
" registered..................		F & A	65½	Mar. 31,'02	....	....	....
Dis. Co. of Am. coll. trust g 5's..1911	3,580,000	J & J	97	Sept.29,'02	98	96¼	170,000
Gramercy Sugar Co.. 1st g. 6's....1923	1,400,000	A & O	99⅞	Apr. 30,'02	....	....	....
Illinois Steel Co. debenture 5's...1910	6,200,000	J & J	99	Jan. 17,'99	....	....	....
" non. conv. deb. 5's......1910	7,000,000	A & O	100	May 2,'02	....	....	....
Internat'l PaperCo. 1st con.g 6's.1918	9,326,000	F & A	107½	Sept.30,'02	108	107	41,000

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MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	SEPTEMBER SALES. *High.*	SEPTEMBER SALES. *Low.*	SEPTEMBER SALES. *Total.*
Knick'r'ker IceCo.(Chic) 1st g 5's.1926	2,000,000	A & O	93	Aug.25,19'	....	....	....
Nat. Starch Mfg. Co., 1st g 6's...1920	3,002,000	J & J	102	Sept.26,'02	102¼	102	6,000
Nat. Starch. Co's fd. deb. g. 5's..1925	4,137,000	J & J	85	Sept.30,'02	85	85	8,000
Standard Rope & Twine 1st g. 6's.1946	2,740,000	F & A	68⅛	Sept.29,'02	69	68	71,000
" " inc. g. 5's.1946	7,500,000	......	13⅛	Sept.30,'02	14⅝	13	196,000
U. S. Env. Co. 1st sk. fd. g. 6's...1918	2,000,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb..1915	5,280,000	M & N	113	Sept.30,'02	114	113	6,000
U. S. Reduction & Refin. Co. 6's..1931	....	......	85	Sept.24,'02	86	85	22,000
BONDS OF COAL AND IRON COMPANIES.							
Colo. C'l & I'n Devel.Co. gtd g.5's.1909	700,000	J & J	55	Nov. 2,19'	....	....	....
" Coupons off................	....		....	....	....	....	....
Colo. Fuel Co. gen. g. 6's..........1919	680,000	M & N	110¼	Aug.22,'02	....	....	....
Col. Fuel & Iron Co. gen. sf g 5's..1943	5,311,000	F & A	103¾	Sept.30,'02	103¾	103	52,000
" conv. deb. g. 5's.........1911	} 12,069,000	F & A	98	Sept.30,'02	99¾	95	768,000
" registered..................		F & A	....	....	....	....	....
Grand Riv. Coal & Coke 1st g. 6's.1919	949,000	A & O	115	June 23,'02	....	....	....
Jefferson & Clearfield Coal & Ir.							
" 1st g. 5's.................1926	1,777,000	J & D	105⅛	Oct. 10,'98	....	....	....
" 2d g. 5 s..................1926	1,000,000	J & D	80	May 4,'97	....	....	....
Kan. & Hoc. Coal&Coke 1st g.5's1951	2,750,000	J & J	105	Oct. 24.19'	....	....	....
Pleasant Valley Coal 1st g. s.f.5s.1928	1,192,000	J A J	106¼	Feb. 27,'02	....	.	... .
Roch &Pitts.Cl&Ir.Co.pur my5's.1946	1,092,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's..1912	879,000	J & D	....	....	....	....	....
Ten. Coal, I. & R. T. d. 1st g 6's...1917	1,244,000	A & O	110⅛	Sept.29,'02	110⅛	110	12,000
{ " Bir. div. 1st con. 6's...1917	3,369,000	J & J	110	Sept.23,'02	110⅛	110	12,000
{ Cah. Coal M. Co. 1st gtd. g 6's..1922	1,000,000	J & J	105	Feb. 10,19'	....	....	... .
{ De Bard. C & I Co. gtd. g 6's...1910	2,771,000	F & A	103½	Sept.15,'02	103⅛	103⅛	3,000
Wheel L. E. & P. Cl Co. 1st g 5's.1919	846,000	J & J	32	Jan. 15,19'	....	....	....
GAS & ELECTRIC LIGHT CO. BONDS.							
Atlanta Gas Light Co. 1st g. 5's..1947	1,150,000	J & D	....	....	....	....	....
Bost. Un.Gas tst ctfs s'k f'dg.5's..1939	7,000,000	J & J	80¾	Feb. 20,'01	....	....	....
B'klyn Union GasCo.1stcong. 5's.1945	14,493,000	M & N	118¼	Sept.22,'02	118⅛	118	32,000
Columbus Gas Co., 1st g. 5's......1932	1,215,000	J & J	104½	Jan. 28,'98	....	....	....
Detroit City Gas Co. g. 5's.......1923	5,608,000	J & J	97	Sept.23,'02	97	96	24,000
Detroit Gas Co. 1st con.g.5's.....1918	381,000	F & A	104	May 24,'02	....	....	....
Equitable Gas Light Co. of N. Y. 1st con. g. 5's...........1932	3,500,000	M & S	118	June30,'02	....	....	....
Gas. & Elec.of Bergen Co. c.g.5s.1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Grand Rapids G. L. Co. 1stg.5's.1915	1,225,000	F & A	107¾	Dec. 17,19'	....	....	....
Kansas City Mo. Gas Co. 1st g 5's.1922	3,750,000	A & O	....	....	....	....	....
Kings Co. Elec. L.&Power g. 5's..1937	2,500,000	A & O	....	....	....	....	....
} " purchase money 6's....1997	5,000,000	J & J	124	Sept.16,'02	124	124	1,000
} Edison El.Ill.Bkln 1st con.g.4's.1939	4,275,000	J & J	97½	Sept.19,'02	97⅛	97⅛	2,000
Lac. Gas L't Co. of St. L. 1st g. 5's.1919	} 10,000,000	Q F	107⅞	Sept.26,'02	108⅛	107⅞	16,000
" small bonds................			97½	Nov. 1,'9[illegible]	....	....	....
Milwaukee Gas Light Co. 1st 4's..1927	6,500,000	M & N	95	July 31,'02	....	....	....
Newark Cons. Gas, con. g. 5's....1948	5,274,000	J & D	....	....	....	....	....
N.Y.GasEL.H&PCo1stcol tr g 5's.1948	} 11,500,000	J & D	113⅛	Sept.15,'02	113⅛	113⅛	3,000
{ " registered..................		J & D					
{ " purchase mny col tr g 4's.1949	20,389,000	F & A	95½	Sept.30,'02	96¼	94¾	161,000
{ Edison El. Illu. 1st conv. g. 5's.1910	4,312,000	M & S	105½	Sept. 3,'02	105½	105½	2,000
{ " 1st con. g. 5's...........1995	2,156,000	J & J	120	July 8,'02	....	....	....
N.Y.&Qus.Elec.Lg.&P.1st.c.g.5's1930	1,930,000	F & A	107	Sept.16,'02	107¼	107	8,000
Paterson&Pas. G.&E. con.g.5's..1949	3,317,000	M & S	....	....	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's.1904	2,100,000	M & N	104	June 7,'02	....	....	....
{ " 2d gtd. g. 6's............1904	2,500,000	J & D	103½	June23,'02	....	....	....
{ " 1st con. g 6's............1943	4,900,000	A & O	121½	Sept.16,'02	121⅛	121	28,000
{ " refunding g. 5's........1947	} 2,500,000	M & S	106	Dec. 16,'98	....	....	....
{ " refuding registered....		M & S	....	....	....	....	....
{ Chic.Gas Lt&Coke 1st gtd g.5's.1937	10,000,000	J & J	110	Sept.19,'02	110	110	10,000
{ Con. Gas Co.Chic. 1st gtd.g.5's.1936	4,346,000	J & D	108	July 31,'02	....	....	....
{ Eq.Gas&Fuel,Chic.1stgtd.g.6's.1905	2,000,000	J & J	105	Apr. 28,'02	....	....	....
{ MutualFuelGasCo.1stgtd.g.5's.1947	5,000,000	M & N	105	July 24,'02	....	....	....
{ " registered..	....	......	....	....	....	....	....
Trenton Gas & Electric 1st g. 5's.1949	1,500,000	M & S	109	Feb. 8,'01	....	....	....
Utica Elec. L. & P. 1st s. f'd g.5's.1950	500,000	J & J	....	....	....	....	... ...

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	*Date.*	SEPTEMBER SALES. *High*	*Low.*	*Total.*
TELEGRAPH AND TELEPHONE CO. BONDS.							
Am.Teleph.&Teleg.coll.trust.4's.1929	28,000,000	J & J	97½	Aug. 8,'02	....	....	....
Commercial Cable Co. 1st g. 4's.2397.	10,943,000	Q & J	100½	Apr. 8,'02	....	....	....
" registered...........		Q & J	100½	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.							
Erie Teleg. & Tel. col. tr. g s fd 5's.1926	3,906,000	J & J	109	Oct. 7,'99	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's.1918	2,000,000	M & N	114½	Apr. 28,'02	....	....	....
" registered..................		M & N					
N. Y. & N. J. Tel. gen. g 5's.......1920	1,261,000	M & N	113¼	Oct. 4,'01	....	....	....
Western Union col. tr. cur. 5's...1938	8,504,000	J & J	110	Sept. 22,'02	110¼	110	8,000
" fundg & real estate g.4½'s.1950	18,000,000	M & N	106	Sept. 8,'02	106	106	7,000
Mutual Union Tel. s. fd. 6's....1911	1,957,000	M & N	111	June17,'02	....	....	....
Northwestern Telegraph 7's...1904	1,250,000	J & J	104	May 9,'02	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME *Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1902. *High.*	*Low.*	SEPTEMBER SALES. *High.*	*Low.*	*Total.*
United States con. 2's registered...1930	445,940,750	Q J	109⅞	108¼	....	....	......
" con. 2's coupon............1930		Q J	109⅝	107¾	....	....	......
" con. 2's reg. small bonds..1930		Q J	....	....	....	....	......
" con. 2's coupon small bds.1930		Q J	....	....	....	....	......
" 3's registered...........1908-18	97,515,660	Q F	109⅛	105⅛	107¾	107	20,000
" 3's coupon..............1908-18		Q F	110	106½	108¾	107½	179,500
" 3's small bonds reg.....1908-18		Q F	107	107	....	....	......
" 3's small bonds coupon.1908-18		Q F	109½	106⅝	....	....	......
" 4's registered..............1907	233,177,400	J A J&O	112⅛	108¼	110⅛	109⅝	16,000
" 4's coupon..................1907		J A J&O	113	108¾	111⅛	111¼	24,000
" 4's registered..............1925	134,994,200	Q F	139½	132	137	137	10,000
" 4's coupon..................1925		Q F	139¾	139¾	....	....	......
" 5's registered..............1904	19,410,350	Q F	106½	105¼	105¼	105¼	50,000
" 5's coupon..................1904		Q F	106¼	104	....	....	......
District of Columbia 3-65's...........1924	14,224,100	F & A	....	....	....	....	......
" small bonds.....................		F & A	....	....	....	....	......
" registered......................		F & A	....	....	....	....	......
STATE SECURITIES.							
Alabama Class A 4 and 5..............1906	6,859,000	J & J	107	102½	104⅝	104⅝	5,000
" " small............	....	....	....	....	....	....	......
" Class B 5's....................1906	575,000	J & J	102½	102½	....	....	......
" Class C 4's....................1906	962,000	J & J	....	....	....	....	......
" currency funding 4's.......1920	954,000	J & J	111	111	....	....	......
District of Columbia. See U. S. Gov.							
Louisiana new con. 4's................1914	10,752,800	J & J	107	106	....	....	......
" " small bonds..........		....	....	....	....	....	......
Missouri fdg. bonds due..........1894-1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's...............1910	3,397,350	J & J	104½	104	....	....	......
" small.......................		J & J					
" 6's.......................1919	2,720,000	A & O	....	....	....	....	......
South Carolina 4½'s 20-40.............1933	4,392,500	J & J	....	....	....	....	......
Tennessee new settlement 3's.........1913	6,681,000	J & J	96⅝	95½	96	95⅞	4,000
" registered.....................	6,079,000	J & J	95½	95½	....	....	......
" small bond....................	362,200	J & J	95	94	....	....	......
Virginia fund debt 2-3's of...........1991	18,035,896	J & J	99¾	95¼	96¾	96⅛	65,500
" registered.....................		J & J					
" 6's deferred cts. Issue of 1871	4,724,966	....	7¼	7¼	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871.....	7,966,565	....	12½	8	12½	9½	368,000
FOREIGN GOVERNMENT SECURITIES.							
Frankfort-on the-Main, Germany, bond loan 3½'s series 1......1901	14,776,000 (Marks.)	M & S	95½	94¾	....	....	......
Four marks are equal to one dollar.							
Imperial Russian Gov. State 4% Rente....	2,310,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.							
Quebec 5's............................1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's....................	....	Q J	100	96	....	....	......
Regular delivery in denominations of £100 and £200..........................	£22,407,660	......	....	....	....	....	......
Small bonds denominations of £20	....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.	....	......	....	....	....	....	......

BANKERS' OBITUARY RECORD.

Anderson.—F. W. Anderson, President of the St. Paul (Minn.) National Bank, died at Everett, Washington, where he was visiting, October 3.

Ayers.—Marshall P. Ayers, President of the Ayers' National Bank, Jacksonville, Ill., died September 30. Mr. Ayers was seventy-nine years of age at the time of his death. He had been in the banking business continuously since 1852, his bank being one of the oldest in the State.

Babcock.—Samuel D. Babcocka well-known New York financier and railroad man, died September 14. Mr. Babcock was a director of the American Exchange National Bank, Central Trust Co., Fifth Avenue Trust Co., Guaranty Trust Co., and National Bank of North America, New York city.

George.—W. W. George, President of the First National Bank, Meridian, Miss., died August 28. He had been associated with banking at Meridian since 1877.

Matthews.—R. A. Matthews, Vice-President of the Farmers and Merchants' Bank, Thomaston, Ga., died August 22. He was a valued officer, and was active in promoting the interests of his community.

McNaughton.—J. C. McNaughton, Assistant Cashier of the Bankers National Bank, Chicago, Ill., died September 19, aged sixty-five years. Mr. McNaughton went to Chicago in 1892 from Nebraska, having been a State bank examiner for a number of years.

Mobley.—Judson F. Mobley, President of the Merchants and Farmers' Bank, Hogansville, Ga., died September 23, aged forty-six years. He was elected Cashier of the bank at the time of its organization, and for several years served both as President and Cashier, but recently resigned the latter position. He was interested in a number of local business enterprises.

Murray.—Charles D. Murray, a prominent member of the Chautauqua County, N. Y., bar, and President of the Merchants' National Bank, Dunkirk, N. Y., died September 11 in his seventy-third year.

Noble.—Boswick N. Noble, President of the Brown City (Mich.) Savings Bank, and also President of several other banks in that State, died September 10, aged fifty fifty-four years.

Petefish.—S. H. Petefish, who had been engaged in banking at Virginia, Ill., for thirty-two years, died October 4.

Prinz.—G. A. Prinz, Cashier of Parker & Co., bankers, Cullman, Ala., and an old and respected citizen, died September 16.

Rosenthal.—Ludwig Rosenthal, Cashier of the Nebraska State Bank, West Point, Neb., died September 13.

Stockwell.—Frederick A. Stockwell, Treasurer of the Webster (Mass.) Five Cents Savings Bank, died September 15. He was highly regarded both for his ability and integrity.

Wallace.—Col. R. M. Wallace, President of the First National Bank, Sumter, S. C., died September 11. He was collector of customs at Charleston and formerly United States marshal, and was connected with a number of manufacturing enterprises.

Webster.—L. H. E. Webster, proprietor of the Citizens' Bank, Hillsboro, Wis., died August 31, aged sixty years.

Waite.—Albert H. Waite, President of the First National Bank, Worcester, Mass., died September 12, aged fifty-seven years. In 1879 he was elected Cashier of the bank above named, and President in 1894.

Welch.—A. F. Welch, Treasurer of the Danvers (Mass.) Savings Bank, died September 9.

THE

BANKERS' MAGAZINE

RHODES' JOURNAL OF BANKING and THE BANKERS' MAGAZINE Consolidated.

FIFTY-SIXTH YEAR. NOVEMBER, 1902. VOLUME LXV, No. 5.

THE CONVENTION OF THE AMERICAN BANKERS' ASSOCIATION held at New Orleans November 11, 12 and 13 met at a time so nearly coincident with the publication of this issue of the MAGAZINE, that it is impossible to publish any report of the proceedings until next month.

Scotch banking was one of the many interesting topics discussed at the convention. JOHN JOHNSTON, Vice-President of the Marine National Bank, of Milwaukee, the traditional descendant of the famous early banking operations of George Smith and Alexander Mitchell, is well qualified to elucidate the subject.

Scotch banking is interesting as the model on which British Colonial banking is chiefly founded. The Canadian bank is the Scotch bank adapted to the conditions of the Dominion, as are the banks of Australia, India, China and other localities where the necessities of British trade have set up banks.

A study of Scotch banking is important as revealing many of the most important secrets of a safe and profitable business, but it is doubtful whether the Scotch system copied blindly, as a model for a system to be put in operation in the United States in place of that existing here, would be at all suitable.

The success of banking in Scotland appears to be due to the fact that it has been so conducted as to place the use of capital within the reach of the very smallest producers. At the same time, the system has encouraged thrift by affording an immediate return in interest for the smallest deposits. The banks of the Scotch system have a virtual monopoly, and they seem to combine in their operations the various classes of banking business which in this and other countries are shared by commercial banks, Savings banks and trust companies. There does not seem to be the same tendency to specialization of the business under the Scotch system as is seen in this country. The

Scotch banks issue notes which to a considerable extent are based simply on the security of their general assets, and for this reason the system which has so successfully issued an asset currency, as it is now called, is just now an object of especial interest.

Some of the Scotch banks have charters, but the majority are simple partnerships. In the case of those that have charters, the liability of the stockholder is limited, but with the others the liability of the partners is unlimited. The laws of Scotland are also particularly favorable to the discovery and attachment of the property of debtors, and this fact has both aided the banks in making the credits given by them secure, and has also given confidence to those entrusting money to the institutions that the liability of the stockholders would in case of failure be rigidly enforced. The circulation privilege arises out of the common law, as up to 1845 there was no statute interfering with the right of an individual or corporation to issue a promissory note. The banks prior to that date issued notes as they chose without any legal requirement as to reserve. In 1845, however, an act of Parliament restricted what may be styled the unsecured note issues to the average of these issues outstanding for a previous year, and required a par gold reserve for every note issued beyond that average. It is practically impossible for a new bank of issue to be established, inasmuch as the new bank to obtain the right would have to buy it from some of the banks already in existence. Where a bank fails or liquidates, it is probable that the right of issue might be sold to a new bank or to one of the old banks. In other words, the unsecured notes of the Scotch banking system are limited to the amount fixed in 1845. If a bank fails, its share of this amount comes into the market. The existing banks can as a rule combine to prevent a new bank from purchasing. The same phenomenon was manifest in the United States when prior to 1875 there was a fixed limit on the aggregate amount of National bank circulation.

While the circulation privilege has been a source of profit to the Scotch banks, and combined with careful management has greatly contributed to their ability to grant facilities to the business public unsurpassed in any other country, yet the peculiar thrift and enterprise and persistent industry of the Scotch population have probably had as much to do with the success of the system as the power to issue unsecured notes.

The system of giving credits to anyone who can furnish security, interest being charged on such portions of the credit as are used, has much to do with the success of the system. The security given for these credits is usually in the form of personal bonds satisfactory to the bank. The business of furnishing these bonds seems to have been developed to such an extent that the borrower can procure them

by paying a fixed price. Those who furnish these bonds guarantee that the credit will be paid, in the same manner that guarantee companies insure the fidelity of employees. It is thus possible for almost any industrious man to procure a bank credit to assist him in his business.

The principle underlying this system of loans, of the close inspection of the condition and character of the borrower, reinforced by every possible guarantee, including insurance, are no doubt practiced by American bankers, but the example of the Scotch system indicates that these methods may be systematized and improved upon in their adaptation to this country. The more liberal exemption laws of the various States no doubt make the collection of debts less sure than in Scotland, but this could be taken into consideration in the prices of the guarantees.

It is evident that the Scotch system does not depend for success on its unsecured circulation alone, and it also seems equally evident that the success of that circulation is due to the stern limit placed on its aggregate amount. It is this monopoly feature that gives its greatest safety to the Scottish bank note, as well as to all the notes of those systems like the Canadian, based on the Scotch system. If banks could be freely organized in Scotland, and by the mere fact of their organization become entitled to issue asset currency, how long would the Scoth system continue a shining example ? The essential principle of the Scotch system might indeed be adopted here, but as this includes a limit of the aggregate amount of unsecured circulation, it will be necessary to have such a limit in the United States. If such a limit be fixed, the aggregate amount of unsecured circulation might be allotted to existing banks *pro rata*, according to the amount of their net individual deposits, at a price to be paid for the privilege. The allotments need not be accepted by the banks, and such as are not accepted might be reserved to allot to new banks or sold to the highest bidder among the old banks. The price paid might be funded as a safety fund to meet losses on account of failures. This unsecured circulation need not interfere with the circulation based on bonds, or with other paper notes now in circulation. The aggregate amount might be small at first, but could be increased from time to time as other paper notes were returned.

As is well known, the Scotch system includes the right to establish branches, even in London itself. Where it is practically impossible to organize new banks, the extension of banking facilities can only be accomplished by means of branches emanating from the existing institutions.

On the whole, while the Scotch system, by its methods of management and its general success, has furnished an admirable lesson

in the business to bankers all over the world, yet as an entire system it is peculiarly adapted to the localities and peoples where it has grown and flourished. There are many of its features which might be adopted by the bankers of the United States with great advantage to the business public, but the features refer to details of business which might be adopted by bankers anywhere without aid from legislation.

SINCE EUROPEAN CAPITALISTS have begun to loan money on the credit of American banking and financial houses it is a much more difficult problem to determine the balances of trade either way and the relations of these balances to imports or exports of gold. When two nations simply traded their products and had no other business relations, it was comparatively a simple matter to find out just how much gold was required to settle the balance. But when nations enter into the relations of borrower and lender of each other's surplus capital, and pay interest, renew loans, make partial payments and resort to all the other devices of lenders and borrowers, the situation becomes more complicated, and when a number of nations are engaged in this trade of capital it is almost impossible to arrive at an accurate statement of the real balances due to or from any one of the parties.

As far as the United States is concerned, foreign capital has always been invested here in railroads, in mines and in various industrial and other undertakings. But usually the investment has been at first hand and the investor took all the risks. These investments were usually on long time, and the capital very often was locked up indefinitely. The international bankers have changed all this. They become the middlemen, who stand between the foreign investor and uncertain risks; they seek to insure him the return of his capital at definite dates or on call. In other words, foreign investments in the United States may now be reduced to the certainty of bank loans. This, of course, has had the effect of rendering large amounts of European capital available for American enterprise which otherwise would not have been attainable. The bankers of Europe have at times great surpluses which they find it difficult to use at home at rates of interest sufficiently remunerative. It is, however, capital which must always be kept in hand or alive, ready within moderate spaces of time to be put to use in seizing any monetary opportunity. Such capital must be capable of being turned into money at short notice. It can not be invested in enterprises that require a permanent retention of the capital.

The modern system of gathering records and statistics about business and commercial matters keeps the financial world well informed from day to day. The statistics of the National banks, of the stock

and produce exchanges, of the crops, and most other transactions, are published from day to day. But here is an element, said to equal in amount the National bank circulation, and amounting to at least one-tenth of all the individual deposits of the National banks, which in whole or in part may be called for at most any time. It has to be paid from the resources gathered at the money centres. After every consideration of the precautions which have doubtless been taken to prevent the payment of these loans from causing undue pressure at the heart of the financial system, it still remains that these foreign loans, so recently initiated, are at least as great a cause of sudden and unexpected drafts on the money market as are the operations of the independent Treasury. It has been remarked that the stringency of the past three or four months is not sufficiently explained by the operations of the Treasury surplus. Nor can many of the phenomena be explained more probably than by the settlement in various ways of these large foreign borrowings. It is plain from various paragraphs and dark sayings in the financial sheets that notwithstanding the general current of optimism there are evidences that foreign lenders feel, whether rightly or wrongly, a retrograde in the prosperity of this country which, as has been stated above, is the general security for these loans. It is probable that there have been unexpected difficulties met in obtaining renewals either from the same parties or in securing new loans from others. These difficulties might be due either to better opportunities for loans in the home market, or from a feeling that the risk of loans in the United States has increased. It is said that where renewals have been made the rates of interest demanded have been higher. As to the real truth of the matter, it is at present difficult to judge, but it seems probable that some of the expectations as to the agricultural productions have been rather too optimistic, and that conditions in England and Europe are favorable for a revival of business that will raise the rates for money at home and supply a motive for recall of some at least of the money loaned here.

The loans of the United States Government and of the great railroad enterprises of the country during the last half of the nineteenth century have started into existence a number of banking houses, who have handled these loans abroad. These houses have also had much to do with settling the balances of international commerce. By their skill and integrity they have built up great reputations abroad, and have obtained a credit unsurpassed in banking and mercantile history. They have proved a boon to the foreign banker and investor in affording safety in participating in the profits resulting from the development of the great resources of the United States. These houses, with their solid credit, borrow the money at fixed rates of interest for definite periods, and reloan the same here. They give

their paper as security. It is now estimated that the loans of these houses amount to something like $300,000,000. As this whole business is a matter of credit, the paper given for the loans has to be paid, or renewed when due. Many of these financial houses are so well known that they have equal credit in the money markets of England, France, Germany and other countries, and as there is no international clearing-house, there is no means of learning when paper falls due whether it has been actually paid by the return of capital from the United States, or whether it has been paid from the proceeds of new loans made in some other foreign country. Thus the amount of capital borrowed in this manner for investment in the United States is always an uncertain quantity. Many payments may be made and yet the aggregate may tend to increase rather than diminish. The productiveness of the United States, agricultural and otherwise, or what may be called the general prosperity of the country, is the real security for these loans. The foreign lender is actuated by a desire for security and for an adequate return. He prefers to loan at home when the interest affords anything like a comparative return. It is the higher interest as well as the security afforded by the credit of the American banking houses that has attracted this money. Still, it is an element in the financial environment, which is of great importance and likely to cause anxiety, because less than almost any other element of this environment can anything approximating the true amount and condition of these loans be known.

It must not be forgotten that within two years it has been announced that Europe was borrowing of the United States, in explanation of the fact that apparently immense trade balances in favor of this country did not seem to produce adequate importations of gold. These balances were said to be loaned to European financial houses, who paid interest rather than see their countries depleted of gold. Whether this explanation was the true one or not, cannot be pronounced on with certainty. There being no means of keeping a record of these borrowings between national financiers, renders one explanation as uncertain as another. Notwithstanding the evils of uncertainty attending this kind of business, it is plain that its development and growth must eventually prove a very fortunate circumstance for the development of the resources of the whole world, and cannot fail to benefit every nation engaged in it.

The improvement of credit between nations must bring the same advantages that have attended the improvement of credit between individuals. All civilization ultimately rests on trust imposed by one man in his neighbor. Trust of one nation in another is capable of much greater development. To what extent international banking may lead to the laying aside of racial and political hatred is yet to be

seen. But while having great advantages, in its inception and before experience has instilled the best methods of carrying it on, the same dangers probably attend international loans as attended the beginnings of the credit system within national lines. There is likely to be a want of knowledge of the scope of the credits and of their proper distribution to suit the natural fluctuations of the various money markets concerned. Experience is, however, gained more rapidly than fifty years ago, and among nations so equal in financial strength and resources it seems impossible that any serious checks to international commercial loans will be encountered. Still, for greater security of all concerned and to afford knowledge of these transactions, important to the public, it would seem to be for the interest of those who carry on this international business to establish a suitable international clearing-house.

THE EFFECT OF THE RECENT MONETARY STRINGENCY on the price of United States bonds is not at all commensurate with what might have been expected. The main reason why the Government cannot secure any particular advantage in the purchase of its debt, is that the aggregate amount of the debt does not by any means meet the demand for such a class of security. United States bonds, other than those held by the banks, are held by trust estates that would be very much inconvenienced if compelled to look for similar investments, and by the wealthiest class of investors who need neither the principal nor the interest at one time more than another. There is also the feeling arising from former experience, that the only effectual way, or at least the most effectual way, the Government can come to the relief of the money market, is by the purchase of its bonds for the sinking fund. This being so, the bonds become the same as money at their market price, and this prevents the market price from falling. In fact, it tends to increase that price, as the bonds seem to be the only key that can unlock the doors behind which the money is deposited. The market, during the recent pressure, appears to have been much more independent of the Treasury than usual, and on the other hand the stringency in the money market does not seem to have been altogether due to the surplus in the Treasury. The net cash in the Treasury appears to have increased during the last few months by some nine millions of dollars only. It hardly seems that the removal of such a small sum from circulation could have caused such a serious disturbance of the money market. In about the same period National bank circulation based on bonds has increased over nine millions, and that on legal-tender notes enough to make the total increase in outstanding National bank notes over ten millions of dollars. In addi-

tion the public moneys in the hands of the National banks has increased under the new rulings of the Secretary. It would seem therefore that the operations of the Treasury have rather tended to the relief of the money market than otherwise. This being assumed as correct, another defect in the monetary system is at once revealed, in the inability to expand the supply of money necessary for reserves when business demands require extraordinary resources.

It seems evident that if the stringency in the money market cannot be ascribed to the operations of the Treasury, it can only be due to an unprecedented or at least unusual demand for cash, owing to the magnitude of the business of the country. This is evidenced by the mercantile demand for money, and also by the general reduction of reserves all over the country. The National Banking Law requires the National banks to cease loaning when their reserves fall below the legal limit. An examination of the returns of reserve cities discloses the fact that the so-called reserve cities of the second class east of the Pacific coast are almost universally deficient in their reserves, especially in the percentage of cash required to be kept at home. It is apparent that the law which permitted the multiplication of reserve cities of the second class has not checked the tendency to deposit surplus moneys with the banks in the eastern money centres. It was supposed the law permitting the creation of reserve cities at the option of local banks would tend to keep more cash localized in these places and diminish the flux and reflux of money to the eastern money centres. A study of the latest reserve returns does not warrant the belief that the expectation in regard to the law has been fulfilled although the data at hand to reach a definite conclusion are not sufficient. But, however this may be, the law does not seem to have diminished the call on the eastern money centres for assistance. The cash reserves of the National banks are supposed to consist of gold and silver coin and certificates and legal-tender notes. The large amount of National bank notes held does not count as reserve; although available to meet demands it cannot like legal-tender notes or gold aid in increasing the loans, however much such loans may be demanded. One would suppose the situation might cause a rapid redemption or exchange of National bank notes for such forms of money as can be counted as reserve. These notes will of course be sent back to the banks for reissue, but this exchange really effects no increase of the money available as reserve in the hands of the banks, although it may tend to draw down the accounts of correspondents at the eastern money centres.

To remedy existing conditions there should be some way of judiciously expanding the paper-note circulation, although in what way this might be done is not so plain.

Every banking device, however useful it may be at times, becomes so liable to abuse at others, that to take any step seems fraught with hazard. It must also be expected that in times of great business activity reserves will be reduced to the lowest ebb. In such periods the danger of demands for payment is very slight. It is not in times of great prosperity and business activity that runs are made on the banks. The danger is greater that confidence of depositors and other creditors may be lost and liquidation demanded in times of stagnation when most institutions show a plethora of reserve. In times of stagnation an excessive reserve is often the symbol of diminishing deposits, and safety requires a greater proportion of reserve at such times than it does when there is greater business activity and prosperity. The stringency of the past few months has been felt more by the speculators in stocks than by the ordinary business man.

AN EMERGENCY CIRCULATION was one of the important topics discussed at the recent convention of the American Bankers' Association at New Orleans.

When a National bank, entitled to issue $100,000 in bank notes, actually issues this amount, it is done, as far as further issues are concerned, until some part of this amount is redeemed and again comes into the bank's hands. The National bank, in order to obtain the privilege of issuing this $100,000 in notes, is obliged to deposit in Washington $100,000 in United States bonds. When the bank was organized its stockholders paid in $100,000 in money, which the bank used to purchase the bonds. When the bank has gone through this process, instead of the $100,000 contributed by its stockholders, it has $100,000 of bank notes which it may issue. The question of premium on the bonds is not here considered. Now, the bank may keep back a portion of these notes and only use them as an emergency circulation, as it is called. The bank commencing business has $100,000 in money deposited by the outside public. The law requires a country bank to keep fifteen per cent. reserve, or $15,000. It can then loan $85,000 of deposits. In addition, of the $15,000 reserved it can send $9,000 to a reserve agent in one of the reserve cities.

The only advantage the bank has in taking out notes on bonds is the excess the interest may bring over the expenses incurred in paying premiums and the expense of printing notes. To be as well off as it would have been if it retained the money originally received from the stockholders, the bank must loan all its circulating notes. A National bank for every dollar of circulation it issues has to pay a dollar or more. To obtain the interest on this paid-for dollar, it must be loaned.

There is every reason why the National banks should have circulating notes which they might use when an emergency arises. What is an emergency? In the case of a bank it is when it is from day to day called upon to pay out more cash than is paid in. A continued daily excess in the disbursement of cash will soon reduce the $6,000 held on hand as reserve, and the $9,000 with the reserve agent. As loans fall due they will be paid in and used to supply the demand, but new loans have to be refused. Now, if the bank has the legal right to issue notes prepared for such an emergency, it might manage to sustain the drain of cash until the demand subsided. These unusual demands for cash are caused either by conditions affecting all banks, or conditions applying only to some one bank. The emergency circulation should not be distinguished by a design different from the ordinary circulation, because if customers were able to distinguish emergency notes from others, they might be unnecessarily alarmed to find the bank was in an emergency. Each National bank should be permitted to keep on hand notes equal to one-quarter of the amount its bonds entitle it to issue. Thus a bank entitled to issue $100,000 circulation should have on hand $25,000 in notes, which, under a proper penalty, should be held as reserve. If issued to meet a real or supposed emergency, a tax of five per cent. should be imposed on all deficiency in the reserve mentioned. When the bank again holds in reserve an amount of its own notes equal to one-quarter of its circulation on bonds, the tax will cease. If all the banks in the the country keep this reserve, on the basis of the present circulation, a supply of eighty millions of dollars would be available in an emergency. Provision might also be made to hold a portion of this at the money centres.

THE LOUISIANA PURCHASE EXPOSITION to be held at St. Louis in 1904 promises to surpass any of the great world's exhibitions yet held both in magnitude and in the varied character of the products to be displayed. There never has been a time in the history of the United States when conditions were so favorable for the carrying out of an enterprise of this kind, and if no untoward event happens in the time to intervene between now and the holding of the fair it ought to be a splendid success.

Comparisons will be made, inevitably, with the two great expositions held at Chicago and Paris in comparatively recent years, and it will require considerable effort to distance the spectacles provided on each of these occasions. But there can be no doubt that the energies of the people of St. Louis will be equal to what is required of them, and it is certain that the World's Fair, as it is popularly called, will be in all respects the best yet held.

THE OPPOSITION TO BRANCH BANKING.

One the most interesting addresses at the convention of the American Bankers' Association at New Orleans was that of Hon. Chas. N. Fowler upon asset currency and branch banking. This, accompanied by the addresses of Mr. John Johnston, on Scotch banking, and of Mr. Ridgely, Comptroller of the Currency, Mr. Horace White and Ex-Comptroller Chas. G. Dawes, ought to produce a most valuable fund of argument on the banking question in the United States. These gentlemen, from their experience and position, are all recognized authorities, and their views are sufficiently diverse to cause light to be thrown upon this complex and difficult subject from all sides.

It seems to be beyond dispute that the attitude of the banks of the country towards any of the propositions for banking reform, is not one of very active support. The independent banks, which are fostered in the United States under the free banking laws of the nation and the States, are seldom united in behalf of any measure of universal application. The State banks, organized under legal provisions having no force outside of immediate State lines, do not feel themselves interested to increase the power and prestige of the National banks, and as it is through the operation of Federal laws that any uniform system of banking must be inaugurated, it must be the National banks that first encounter and test its advantages or drawbacks.

The only proposition so far made, which it requires little foresight to perceive will affect both National and State banks, is that allowing the establishment of branches. The power given by a universal branch banking law to any bank to expand to an almost unlimited extent will, it is easy to see, bring about a severe struggle for pre-eminence, among the existing institutions. The law, of course, is a general one, on the face of it as general as any free banking law. Any bank can avail itself of the law and expand just as far as it possesses capital and resources enabling it to do so. But the conditions under which successful branch banking may be carried on require an amount of capital which will virtually preclude the great majority of independent banks from entering into the inevitable contest for survival or supremacy.

The National Banking Law as it now stands, by fixing the minimum capital with which a bank may be organized, and by strictly confining each organization to its own territory, prevents any universal competition. If the law increased the minimum capital from $25,000 to one million dollars, how many banks would there be organized in the United States? If with this increase of minimum capital each bank was still restricted to its own territory, there would be very few localities now enjoying banking facilities that would continue to enjoy them.

Virtually, branch banking, by its very nature, increases the capital of the individual bank, and at the same time enlarges the territory through which it may operate. As there is in the whole country just so much banking capital now distributed among thousands of independent banks, this capital, in the event of the adoption of branch banking, will be concentrated in the hands

of a much smaller number of independent banks, each of which will attempt to have branches without capital operating at all the points where banking is now profitable. The only thing that will prevent the final establishment of one single bank with branches in every locality needing banking facilities will be the fact that probably no one institution can obtain the preponderance which will free it from all competition.

One great institution, which is a possible result of the right to establish branches, would be undisguised monopoly. The probable practical result of branch banking would be a system composed of perhaps one hundred parent banks, either dividing the whole territory of the United States among themselves, as the railroads do, or each covering the whole territory with competing branches. These one hundred banks, more or less, would be practically as much of a monopoly, although somewhat disguised, as one great central institution. Branch banking necessarily is centralization of bank capital.

Mr. Ridgely addressed the convention on changes in banking conditions. It may be said that the second Bank of the United States, with full power to establish branches, did not suppress the State banks of the period between 1816 and 1836. Perhaps Mr. Ridgely's address will throw some light on the difference between banking conditions dnring that period and at the present time. Among other great differences is the important one that the State banks of that period issued notes almost as they pleased. Many of them found it their sole business. But the main reason the Bank of the United States did not suppress State banking and nationalize the business, was that it did not have time. The first two or three years were a contest for its establishment, and the last six a struggle with the Administration of the country to avoid dissolution. The bank only had fourteen years of comparative quiet, and even that period was continually disturbed by the grumblings of the State banks. Some say Jackson overthrew the Bank of the United States, but if he had not been supported by the State banks he never could have done it. The State banks then saw their doom in the continued growth in power of the Bank of the United States. The small banks of to-day, State, private and National, see their finish in the establishment of branch banking. If the Bank of the United States had been undisturbed by attack and had grown with the growth of the country, it might easily, as was feared in 1830–36, have controlled the banking business of the country. It would have done this chiefly by its power to establish branches.

Whether it be admitted or not that branch banking when fully developed will result as indicated above, and whether the small banks are right or not in their belief that branch banking means their destruction, is really of small importance, if it could be shown that branch banking would be beneficial to the business interests of the United States, and that it would develop resources to better advantage than the present system or lack of system in banking.

If, as seems to be believed by some bankers, the highest financial prosperity cannot be expected in the United States without the assistance of a safe paper currency, which will automatically expand and contract with business necessity, it may be admitted that the only way to secure such a currency is through a bank or banks, because the banks are the only reliable indicators of business demand. It is possible that those who are the most infatuated with the advantages of the bank note have their eyes fixed on an ideal that never has been and never can be reached in practice. The ideal

bank is, of course, one that can never fail, and the ideal bank note is a note issued by a bank which can never fail, in sufficient amounts, but no more than sufficient amounts, to permit the carrying on of all legitimate business. In other words, while there is legitimate business to be done, the ideal bank furnishes the credit in the shape of bank notes; but when this ideal bank perceives that these issues are fostering speculation, then it calls in its notes and redeems them. The ideal bank currency is that which is always abundant enough for legitimate business, but never enough to tempt dangerous speculation. Was there ever a bank or a banking system that furnished such an elastic currency?

It is contended that with the present National banks, each one with few exceptions of comparatively small capital, it would not be safe to permit the issue of a currency on general assets. What might be safe for many banks would not be safe for all. If, however, by permitting branch banking the system became consolidated, a few strong banks taking the places of the numerous weak banks, then there would be safety in an asset currency.

No doubt this is true, and if thereby an approach was made to the ideal elastic currency, some sacrifices might be made for branch banking. With additional safety the elasticity of the bank note becomes less, because the motive for its redemption is reduced. The successful redemptions of the Suffolk bank system were due in great part to the radical distrust of the notes of the issuing banks. Imagine the currency-issuing function in the hands of one hundred banks, incapable of failure, who would send in their notes for redemption? It is to be feared such notes would remain out forever in each other's tills, and there would be danger that injudicious speculation might be encouraged.

Of course, if branch banking should result in one great bank (and in this age of consolidations this is not impossible) which by means of branches did all the commercial banking business in the United States, the issuing all the notes, and receiving all the deposits, it would have full control of both the issue and the redemption of its circulating notes. In search of the realization of the ideal we are driven to the last concentration of banking. While such concentration migh result in note issues as nearly perfect as possible, it would tend to repress the diffusion of banking facilities. For the diffusion of these facilities the present system of small independent banks is, at present at least, the best system that could be imagined. This system is weak on bank-note circulation of the conceived pattern, but it searches out collateral for loans to perfection, and loaning money safely is the foundation of the banking business. If banking is reduced to a concentrated system, something of its adaptability to the wants of the universal borrower must be lost. The question remains, Is it worth while to sacrifice the advantages of the present system of banking to improve the bank-note circulation, especially as many of the functions of a bank-note circulation are now performed by personal checks drawn against deposits?

PUBLIC DEBT OF GREAT BRITAIN AND THE UNITED STATES.

The depressing effect upon the price of consols caused by the increase of the British debt due to the South African War is attracting attention to the different conditions which surround the national debts of the United States and of Great Britain. In the spring of 1897 consols stood at 113¾ and they have this year gone as low as 93¼. The lowest price reached during the Boer War was a little over ninety-one. In five years consols have dropped more than twenty per cent. When the Boer War began the debt of Great Britain was $2,795,700,000. It has been increased by the war to $3,132,200,000, or by $336,500,000,* about twelve per cent. of the total.

When after the panic of 1893 the United States Government borrowed during the years 1894, '95 and '96, $262,000,000 to maintain the gold reserve of the Treasury, this represented an increase of forty-three per cent. of the total debt, and there was little falling off in the price of bonds. The increase during the war with Spain was twenty-four per cent., and the prices of United States bonds are as high as ever.

It may be inferred from these facts that the credit of Great Britain is not so good as that of the United States, but there are many considerations which go to qualify this inference. In proportion to population the debt of Great Britain is five or six times as great as that of the United States, and it also bears a greater proportion to the wealth of the country than does the debt of this country to the wealth of the United States. Great Britain is supposed to be the wealthiest of all nations, and in this respect the proportion of its debt is not perhaps so much greater than the proportion of public debt to the wealth of this country.

The comparison of the credit of nations, as it is judged by the price of public securities, does not seem to have been very much studied, though it would appear to be an interesting subject for economists.

There is one great point in favor of the maintenance of the price of United States bonds, and that is their use as a special security for National bank circulation and for deposits of public money This use of the bonds increases the demand for them. Another point of difference is the freedom of our national obligations from taxation. This, of course, makes them yield their full nominal interest, and also creates a demand for them as a means of escaping taxation. The consols are subject to an income tax, as some of our citizens who at one time invested in them very soon discovered. But with all these differences and distinctions, it is still somewhat of a mystery why, when the war in South Africa is over, the consols should be rated so low. The consols bear the same rate of interest, and there is no doubt whatever that the interest will be promptly paid. They return a little less to the investors on account of a heavier income tax, but the low rates at which the

* These figures represent the total debt so far, known as consols. The Boer War is responsible for a larger debt than this if floating debt and unsettled possible obligations are added.

new issues were made and at which they can now be purchased must compensate for this increased tax deduction.

One reason for the falling off in the demand for consols seems to be that business has not yet revived in Great Britain from the paralyzing effect of the war, which for the time being diverted the energies of the nation into other channels.

National securities in all civilized countries form to a very large extent the basis of credit business. Next to actual money they inspire confidence in the solvency of those who possess or control them. They can be used to procure money, either by sale or hypothecation at less sacrifice than other forms of security. It is this availability as superior collateral that induces investors to hold them when the return on the investment in interest is much lower than could be obtained by other use of the money. Of course government securities are not the only securities thus recommended to investors; all stocks and bonds find their price more or less affected according to their availability as raisers of actual money when the money market is stringent. But the government securities take first rank. In dealing with their public debt nations are anxious either to reduce the principal or the interest rate when they can. They can only do this when they have revenues in excess of expenditures. The best opportunities are possessed by those finance ministers who can reserve their surplus until the condition of the money market enables them to buy up their bonds or a portion of the interest rate, at the lowest price. The financial laws and customs of most civilized countries permit the accumulation of surplus by the State without necessarily affecting the supply of money devoted to business needs. In the United States the accumulation of surplus by the Treasury during the last half century has caused monetary distress, which has been more or less relieved by the pouring out of Government funds in the purchase of principal and interest of the debt at prices generally more advantageous to the investor than they might have been to the Government, if the latter could have chosen its own time for disbursing the surplus. In other words, under the financial laws of the United States and with revenues more often in excess than showing deficiencies, the use of Government securities as the basis of bank circulation tends unduly to favor the investors in Government bonds, and makes the demand for them greater than it would otherwise be. The Government, desiring to purchase and reduce its debt, has taken every step to make such purchase and redemption as costly as possible. The proportion of recent increase in the debt of Great Britain was smaller than that of the increase of the debt of the United States during the Spanish War. The whole debt of Great Britain bore a larger proportion to the business of that nation than was the case here. A small increase therefore formed a surplus for which there was no demand, particularly as business fell off on account of the war. That something of this kind may account for the present low price of consols, seems to be proved by the fact that when peace was first announced consols rose to ninety-seven, evidently in anticipation that business would at once revive. Since it has been found that this expectation is not at once realized, the price of consols dropped.

Inasmuch as the credit of a nation has come to be measured by the price of its securities and the rate of interest at which it can obtain loans, it must be concluded that the Boer War affected the credit of Great Britain more unfavorably than did the panic loans of 1894 and 1895 and the war loan of 1898 that of the United States.

This depression of credit is probably only temporary, but the fact that it has occurred in the case of so wealthy a nation as Great Britain indicates not so much that Great Britain is weak, but that the United States possesses abnormal strength as measured by the older nations.

THE STUDY OF MONETARY CRISES.

The recent high rates prevailing for money in the great centres of exchange seemed for a time to hold financial matters just on the verge of a crisis which, if there were any real unsoundness in the business of the country, might prove very disastrous. There have been very lively apprehensions, which have manifested themselves in earnest calls upon the Treasury for relief. This relief, given in very homeopathic doses and with great hesitancy and delay, has appeared to be sufficient to prevent these apprehensions from assuming the dignity of a real panic. There is reason to believe that the danger was not so great as feared, and that the Treasury relief doled out as it was has been of the nature of bread pills to the hypochrondiac. Nevertheless, no one can deny that real crises in monetary affairs are of a very serious nature, and that their seriousness is chiefly the result of the panic which often, if not invariably, seizes on the business world when the critical moment arrives.

The study of financial crises and accompanying panics has been pursued chiefly from a materialistic point of view, in consonance with the tendency of scientific investigation during the last century to concern itself more with tangible material facts than with those more recondite phenomena, none of which is less a fact because it is psychological, rather than physical. The tendency of science at the present time is to make greater allowance for the effects of psychological forces impinging on so-called physical forces. Heretofore the monetary crisis has been considered almost entirely from a physical standpoint. It has been observed from the standpoint of its periodicity, which has been made much more of than statistics warrant. Some well-meaning economists have sought to give this alleged periodicity a stability of recurrence equal to that of the movement of the planets. It would truly be an advantage to be able to predict crises of finance in the same manner as eclipses of the sun or moon. The supposed variations of the sun's heat caused by spots on the sun, supposed to go through a course of development and disappearance during a period of eleven years, were alleged by Prof. Bonamy Price to produce good and bad harvests, and as men are all dependent on what comes from the ground, the deduction seems somewhat obvious. But dismissing these extreme vagaries, there have been other economists who, assuming the periodicity of financial crises, have sought to explain them on other grounds. It must be remembered that these phenomena of the monetary world have grown up with the development of credit within the last century or two, and it is not surprising that the Copernicus and Newton of finance have not yet arrived along with the Napoleon. The mistakes of the predecessors of these two great men in the astronomical field are as amusing to the modern astronomer as the mistakes of economists of the present day will be to the modern political economist when he shall have developed.

The economists who have tried to explain the periodicity of monetary crises, without much concerning themselves whether such periodicity exists, say that the circle is travelled in about ten years, as this period allows for the

growth, overdevelopment and decay of the credit and confidence upon which the fluctuations of the commercial world rest. This periodicity seems to be more marked where the financial history of one commercial nation is studied by itself. As the histories of all the commercial nations are considered and compared, there is seen to be no necessary connection between the crises that occur in one country and another, although there may be correspondences. During the nineteenth century it must be confessed that there was in England much regularity in the recurrence of financial crises. England is a fully-developed country, and notwithstanding her world-wide commerce, all the main strands of control of that commerce have their origin and are moved from England, as the switches on a railroad are moved from a central switchboard. The impulses of control being thus within a narrow limit, all were guided alike and alike felt the same favorable or malign influences. In the United States the development of credit and business founded thereon has been almost as rapid as in England, but the great extent of the country and its undeveloped resources have tended to cause the phenomena of financial crises to develop themselves with less regularity. The orbital periods have been sometimes shorter and sometimes longer. There has been no caution in the development of confidence and credit, which have come to grief all the sooner; and again, while confidence and credit have flourished with apparent rankness, unexpected lucky chances, arising from the wealth of comparatively unknown resources, have prolonged the period of prosperity. The extent of the country, before the development of railroads, permitted local prosperity and local hard times to exist contemporaneously. It seems to be true as a general thing that as a country becomes bound together by lines of transportation, and as the different commercial nations become more and more intimately connected in trade, when monetary crises do occur their effects will be more far-reaching.

On the other hand, the question arises, Will not the development of the world's commerce have the effect of slowly removing the worst features of the monetary crisis? It seems to-day as if the business men of the world, those who conduct the important branches of international commerce, were like children under the guidance and protection of their parents. The government of each country seems to think it its duty to prevent its precious darlings from being cheated or overreached by the pets of other governments, and become embroiled with other governments, just as the heads of families are sometimes embroiled because the boys have inaugurated a trade in jack-knives that has been to the disadvantage of one of the youthful parties. The partial confinement of commercial effort within political boundaries tends to make the experience of the past less valuable when trade begins to disregard such artificial limits. Many of the paradoxes and contradictions of social and political science are the consequences of the impingement of political laws and divisions upon the natural laws of commerce.

It seems to be true that the life of the commercial world is manifested by pulsations or waves or vibrations of confidence and distrust. Normally, confidence overcomes distrust, and business goes on. A nation or political division is a space artificially limited in which these vital manifestations develop themselves. Probably, as conditions progress toward the development of a monetary crisis, there are preliminary to the general catastrophe multitudes of smaller crises where distrust temporarily and locally prevails,

before confidence is generally overwhelmed. In fact, even in the height of prosperity, there are probably numerous points at which small and temporary crises prevail. That these often, and perhaps most frequently, pass away innocuous as far as aggregate business is concerned, seems to show that crises of a larger scope may be amenable to proper remedy.

That crises succeed each other at intervals has been the history of monetary affairs during the past century. That they always come in regular periods, is not susceptible of proof. That they may come at regular periods under some circumstances where the underlying circumstances of trade remain uniform, may happen.

As the commercial world becomes accustomed to be on the lookout for monetary crises, it is probable that the relation between the panic and the crisis may change. The panic is the result of the loss of mental control at the presence of the crisis. If the latter be expected, or if the minds of business men assume the attitude at least of non-surprise when a crisis occurs, then the severity of the panic is likely to be ameliorated. In fact, the action of banks and syndicates of capitalists has within the last quarter of the nineteenth century gone far to provide an antidote to the worst effects of a commercial crisis, and to almost do away with danger from a mere stock exchange break.

When international trade and commerce shall have developed so as to do away with the restrictions imposed by political boundaries and trade laws of narrow national import, and the impulses of credit shall be transmitted as freely through all parts of the trading world as they now are within national boundaries, it is natural to assume that tendencies to local crises will be counteracted by outside influences, and that the fluctuations of what is called price, which are the life and foundation of trade, will be confined by superior knowledge within reasonable boundaries so as to insure the motive of speculation without pushing it to extremes.

GERMAN CAPITAL IN FOREIGN COUNTRIES.—Consul Jno. F. Winter writes from Annaberg, October 3, 1902:

Until thirty years ago, the German Empire was one of the weakest nations financially; but now, instead of being in need of foreign capital, Germany is following the example of England and France, and is loaning and investing money in foreign countries. According to a recent semi-official statement, there are about $2,000,000,000 of German capital invested in the United States and Mexico. It is estimated that another $2,000,000,000 are invested in Central and South America, some $250,000,000 in Turkey and about $1,000,000,000 in Africa, Australia and the Far East. In addition to this, it is claimed that $3,000,000,000 are invested in stocks and bonds in different countries.

EXPANSION OF CREDIT IN THE UNITED STATES.

[Address of Frank A. Vanderlip. Vice-President National City Bank, New York, and former Assistant Secretary of the Treasury; delivered at a banquet given by the Chamber of Commerce, Wilmington, N. C., October 31, 1902.]

We are all aware that we are in a unique period of commercial, financial and industrial development. It is undoubtedly the most important, the most remarkable and the most interesting period of industrial and financial evolution in the history of the nation. We have witnessed, in the last half dozen years, a commercial expansion and a financial movement alike unparalled in the achievements of our own country or in the growth of other lands.

These half dozen years have been productive of statistical totals bewildering in their magnitude—of industrial expansion unparalleled either in volume or in significance, of widening financial influence—of broadening credit operations, of banking development—all marking growth so great that it is becoming difficult for us to view with a correct and rational perspective the phenomena marked by these new totals.

Familiar as you all are with the salient features of this development, I wish for a moment to emphasize a few of the more noteworthy facts. I do not want to weary you with any statistical catalogue, but only to indicate in the most general way some of the features of this remarkable period.

In the domestic field we have had both a series of extraordinary crop years and a period of extraordinary industrial activity.

On the agricultural side, we have seen the annual value of farm products increase far over a billion dollars in the last half dozen years, and we have seen the value of the farms themselves advance more than four billion dollars in the same time. In the industrial field, we have had a period of the fullest employment of labor (except where labor has chosen to refrain from work), and of the highest general level of wages which has ever been known, either with us or with any other people. The definite evidence of this prosperity we have seen in a doubling of the individual deposits in National banks, the total going up from, roundly, a billion six hundred millions in 1896 to three billion two hundred million this year. In the same time the deposits of Savings banks have increased seven hundred millions, the deposits in State banks a thousand millions—considerably more than doubling the total of six years ago—and the deposits in trust companies also more than doubling, the increase there being six hundred million. In these half dozen years the credits represented by individual deposits in banks of all classes have increased, roundly, four billion dollars, an increase nearly equal to the total deposits of all kinds half a dozen years ago.

Bank clearings—an excellent measure of general trade—increased in these half dozen years 150 per cent., and it is estimated that the total wealth of the country has had more than twenty billion dollars added to it in that period.

We have increased our coal production one hundred million tons, and passed easily to the position of the greatest of coal-producing nations. We

have almost trebled our production of steel, leaving our competitors far behind in any comparison of volume of business. We have added four hundred million dollars to the annual product of our mining industries.

So the catalogue might be indefinitely extended, with ever-increasing totals and more and more confusing aggregates of almost incomprehensible numbers. In a word, whichever way we turn we find that the figures measuring the volume of business, the extent of industry, the growth of financial importance, have in these last half dozen years made an apparent gain equal to the entire total six years ago. It is hardly too much to say that in six years we have doubled the figures measuring the apparent extent of our annual domestic business.

Growth of Our Foreign Trade.

Now, for a moment, to turn from the domestic side of the account to the foreign situation. Here we have recorded gains which have given deep concern to the whole commercial world. We passed the billion-dollar mark with our exports in 1896, and in five years more the total stood just under a billion and a half. At the same time our imports were declining, so that we were not only making wonderful inroads upon foreign markets, but we were more than holding our own in our own markets in competition with foreign manufacturers. Our foreign trade balances began to show incredible totals in our favor, running up well over six hundred millions a year, and causing the gravest apprehension in the minds of our commercial rivals in regard to the industrial readjustment which the world must look forward to if such totals were to be maintained. In a single year we imported 105 millions of gold. The world suddenly discovered that we were not alone its granary, but we were likely to become its workshop. We pushed into the foreign markets with the handiwork of our mechanics and the products of our machines, month by month increasing our sales, until from a total of less than two hundred millions of exports of manufactures we had soon far exceeded four hundred millions, making increases so rapid that Europe was brought face to face with the problem of reorganization of her industries to meet this new-born competition, and a readjustment of her finances to pay for her increased purchases, which she seemed unable to offset by increased sales.

European Opinion Regarding American Business Development.

I had the privilege a year ago of meeting many of the foremost statesmen and financiers of Europe, and of discussing with them the commercial questions which had been raised by our rapid industrial development, and by our wholesale invasion of their markets. Everywhere I found the problem receiving most serious attention. Everywhere it was regarded as the most vital of economic questions, and nowhere did I find anything but wonder over the development which we were showing and apprehension in regard to the effect of its continuance. Where it was to lead in its effect upon European industries and European finances, if it were to continue, was the insoluble problem of finance ministers, bankers and industrial captains. I had the privilege of a conversation at that time with Germany's most distinguished financier and industrial upbuilder, the late Georg von Siemens—the creator of the Deutsche Bank, the adviser of the Government, the originator of vast industrial enterprises. I asked him what was the future of the old world in respect to this

new industrial development and this sudden show of financial strength in America. I asked him what was to be the result, if we were to go on selling to Europe six hundred millions of goods a year more than we bought, increasing our exports, decreasing our imports, building up a theoretical trade balance of such totals as were new in international finance.

Herr von Siemens was a wise and an experienced man. He had passed through crises and through periods of inflation, and he viewed the outlook with calmness.

"I am not concerned about what will happen to Europe if you are to go on in this triumphal way," he told me, "because you will not go on. There will be something which will stop you. Something always does happen in such a situation as this, and something will happen now. I do not know what it is; my vision is not broad enough or clear enough to foresee it, but you will make mistakes and a halt will be called."

It is my purpose to-night to examine somewhat critically the present industrial and financial conditions, with a view to seeing if this shrewd German observer was right, with a view to determining if something has happened to call a halt in our progress toward a command of the world's markets, and then to offer you, if I can, some suggestions as to why it is that we have failed to keep up the pace and as to what can be done to remove the obstacles that are retarding our progress.

I am just back from another European trip, and have again met many of the most distinguished of European statesmen and financiers. The change that the year has made in their point of view is extremely interesting. They are no longer fascinated by our progress. Instead of that, I found in every capital I visited, and in the mind of almost every keen observer of international affairs with whom I conversed, a belief that we have for the present marked the high-water point of our overflow of exports into the European industrial field. And instead of credulous belief in the unlimited possibilities of our development, which seemed to be the average state of mind a year ago, there is to-day a feeling of grave conservatism and anxious interest in our future.

They note that the rapid increase of our exports came to a halt two years ago. They note that our imports in the last two years have been rapidly rising, the record for the fiscal year just closed being more than nine hundred million dollars, against only a little over six hundred millions in 1898. They note, too, that in spite of that tremendous balance of trade which Government reports showed in our favor, a balance running, as I have said, up to an average of almost six hundred millions a year, we do not seem to have any unusual command upon international credits, but we are as a matter of fact a considerable debtor in the world's exchanges, and that now, in the midst of extraordinarily bountiful harvests, and at the season when a movement of gold in this direction might normally be expected—we are concerned lest a high rate of sterling shall lead to gold exports.

Indications of a Turn of the Tide.

If we are honest with ourselves, we must admit that the edge is off our invasion of foreign markets. Our totals are still colossal, but the rate of increase which they were making has been checked, and decreases have been recorded. Our exports of manufactures for the fiscal year just closed are

thirty million dollars less than the point they reached two years ago. Our total exports of domestic merchandise fell off more than a hundred million dollars in the year. Instead of decreasing imports we have made some large increases in our purchases of foreign goods, and the total for this fiscal year stands more than three hundred million dollars above 1899.

If we chose to examine critically our domestic condition we might find there, too, developments not in every respect satisfactory. It must be with the keenest regret that we recognize unfavorable conditions that threaten a break in the unparalleled magnificence of this story of industrial growth. Nothing will better repay thought and study than inquiry into those causes, which seem to imperil a continuance of this wonderful period of prosperity. Nor can any investigation be of more vital importance than a consideration of what safeguards it is possible for us to provide against the recurrence of these cycles of depression which seem always to follow periods of prosperity.

It is not my purpose, however, to dwell upon some of the evidences of inflation, upon a too free issue of securities larger than the value of properties warrant, and more rapid in creation than investors can absorb, nor upon labor conditions fraught with serious menace, which already mark their effect upon industrial totals. Instead of a broad survey of the whole situation, I wish to take up a single phase of it, a phase which has been well illustrated by a recent episode in financial affairs.

In cataloguing the splendid list of industrial and commercial achievements, I have been telling a story that is old to your ears. The totals are so wonderful as to remain fresh with interest, but they present a view of the situation which has now for several years been pretty well fixed in the minds of all of us. Statistics are wearisome. In an after-dinner talk they are almost unpardonable. But I am going to ask you to give attention to a few more figures, and I regret that they are figures that cannot be looked upon with the degree of satisfaction with which, in the last three or four years, we have been wont to regard all of our commercial statistics.

The Rise in Bank Credits and Decline in Bank Reserves.

The Comptroller of the Currency, a few days ago, completed his report showing the condition of all National banks last month. That report, it seems to me, is one of the most significant that has in a long time come from the Comptroller's office, and it will well bear some analysis and comparison. If we are merely looking for large totals, we may again find them here, figures in some respects surpassing all previous records. The total deposits, individual, bank and Government, in all National banks, foot up four billion five hundred and twenty-seven million dollars. Now, if we turn back to a similar report for the beginning of 1899, we will find the total of the same items three billion two hundred and twenty-six million. Now, for a moment, bear these figures in mind. Roughly, four billion and a half deposits now, against three billion two hundred million in 1899—and with that increase in the liabilities of National banks in mind, let us look at the figures representing the reserve basis. The total of specie and legal tenders held by the National banks last month was five hundred and eight millions. The total at the beginning of 1899 was five hundred and nine millions. Here we have had an expansion of a billion three hundred millions in deposits, while the basis of gold and legal tenders, upon which that inverted pyramid stands, is actually slightly smaller

than it was at the beginning of the period. Now, in that same time the deposits of other banks—State banks, trust companies, Savings banks and private banks—have probably increased not far from three billion dollars, and there is little likelihood that their gold and legal-tender reserve is materially larger than—if it is as large as—at the beginning of 1899. We have had then in less than four years an increase in the total bank deposits of the country of over four billion dollars, accompanied by no increase in the specie and legal-tender holdings of those banks.

What has brought about this remarkable development of bank credit? The answer must at once come to the mind of any observer of finance, that the principal reason for the expansion of deposits and the accompanying expansion of loans is to be found in the great movement which has been the significant feature in financial affairs of the last half dozen years—the movement to aggregate industrial establishments into single great corporate units, and to convert the evidence of ownership into corporate securities which have entered actively into the stream of financial operations. Vast amounts of new securities have been created in these half dozen years, based in large measure upon properties which were before held as fixed investments by individuals, or if standing in the form of corporate property, the securities of those corporations were more closely held, and in but small measure entered into the financial operations of the day. This movement—tending to convert the evidence of ownership of a great amount of fixed property into a form which has been considered a bank collateral, and which has been made the basis of loans and of corresponding increases of deposits, is undoubtedly the most important single cause for this increase of more than four billion dollars in bank deposits and bank loans of the country in the space of three or four years.

The Increase of Fixed Investments.

Another important contributing influence has been the vast expenditures of corporations—railroad companies particularly—for the improvement, betterment and extension of their properties. New securities have been created, and the capital which was obtained by their sale has been converted into a fixed form of investment. When our railroads were first built economy in construction was the prime consideration. Now it has come to be that economy in operation is demanded. At first it was economy in the use of capital; now it is economy in the use of labor. And so we have seen, not only with the railroads, but in every department of industry, a lavish investment of capital in order that the cost of production might be cheapened.

Now, let us suppose that all this great expenditure has been wisely made, and in the main I believe that it has, that every dollar which has been expended in the improvement and betterment of railroads, in the extension and better equipment of industries, will effect economies which will result in a saving equal to a fair interest return on the capital so invested. But, granting that the investment, from that point of view, has been wise, a consideration which we have perhaps in some measure lost sight of is that this whole great movement of improvements and betterments has been drawing from the fund of liquid capital and converting it into a fixed form, so that such capital cannot be fully returned into liquid shape, from the result of increased earnings, before the next ten or fifteen years.

If a farmer were to ask a country bank to loan him ten thousand dollars to put up new buildings and generally improve his property, the banker, while admitting that the expenditure might be a profitable one in the added return which the farm would give, would say that the proposal was not a good banking proposition, that bank funds could not properly be tied up in an investment of that character, but must be loaned for objects which, in the natural order of the commercial season's progress, would liquidate the debt in a much shorter time than would be possible were the capital to be converted into such a fixed form of investment. Recognizing this principle, the National Banking Act very wisely prohibits loaning upon real estate. Sound as the security is, it is not within the lines of the banking principle, which embodies the practice of making only such loans as will in the natural order of business liquidate themselves within a few months.

If a railway manager were to ask from his larger bankers a million-dollar loan to put into better bridges and heavier track, the same answer would be made. It would be unwise for a bank so to tie up active capital by converting it into a fixed form of investment. Profitable as the banker might be convinced the investment would be in the greater economies which it would bring to the operation of the railroad, he would see that it would be unwise financiering for him to loan his deposits for conversion into a fixed form of investment which could not be liquidated should his depositors begin to reduce their deposit lines. Securities issued for just such purposes, however, form much of the basis of this increase of four billions of loans. The loans are excellent so long as A can sell his collateral to B, should A be called upon to repay, but if A and B should both be called upon to pay, there is nothing in the nature of these loans which will permit them rapidly to work out toward liquidation in the natural order of things. It is, in effect, a loaning of bank credit for conversion into a fixed form of property.

If, say, two-thirds of the total income from industrial investments were to be returned to the betterment of properties, and there should be issued in place of the capital so spent additional securities, the process would be wise and beneficial. If, on the other hand, there should be converted into the form of fixed property by expenditures for improvements and betterments, a total amount of capital considerably exceeding the total annual income from such investments, the result in the end could lead only to disaster, no matter how wisely these expenditures for betterments and improvements might be made—because in the process there would be absorbed a larger and larger amount of liquid capital into the form of fixed investment, banking reserves would be reduced, and when bank deposits were demanded, though there might be the soundest of security back of them, it would be in a fixed form unavailable for liquidating the debts due to depositors.

It must be admitted, I believe, that we have been converting too great an amount of liquid capital into fixed forms of investment. What is the cure? The cure is, of course, to reduce the expenditures of that character so that they will come within the line of safety. What is the line of safety? It is, it seems to me, something well within the total income from such investments. If we go beyond it—if we convert into fixed forms of property more than the total income from the property—we have gone beyond the line of safety and are borrowing from the future to temporarily bury the capital. We have the choice of one of two things: Either to practice wise discretion or to go on

borrowing of the future until we are brought up against a wall. The first course is consistent with continued prosperity, even if we do, to some extent, reduce the expenditure of capital for new construction, extensions and betterments. The second course, if persisted in, will bring confusion, disorder and paralysis on the whole constructive investment.

Advance in the Prices of Commodities.

Another phase of this situation, and one which has aggravated the causes leading to an expansion of loans, and which has cut off from us the relief which we hoped for in the way of a foreign trade balance made tangible by gold imports, has been the rapidity and extent of the advance in prices. Back in 1895 and 1896 we were on a low level of prices, and we were imbued with economical ideas of administration. It was then that we began making the great inroads into foreign markets and our exports passed the billion-dollar mark. In 1898 our exports had so increased and our imports so decreased that we had a balance in our favor of more than six hundred millions, and that balance was tangibly reflected that year in a net importation of one hundred and five millions of gold. Then prices began to rise, the total of our exports did not hold up the next year, while our imports began to show a marked increase. In the subsequent years we were fortunate in exceptionally favorable agricultural conditions, of bountiful harvests at home and scantily-filled granaries abroad, so that our exports showed some further increases, but our imports went up more rapidly than did our exports, until in the fiscal year just closed we showed a total of imports nearly three hundred millions more than in 1898.

The whole general level of prices has advanced, and some of these advances, from the extreme low level of 1897 or 1898 to the high level which has been reached within the last two years, are the sharpest in our commercial history. Pig iron, for instance, advanced from less than $12 a ton in October, 1898, to $25 at the beginning of 1900. Steel rails doubled in the same period, the price going up from $17.50 to $35. Bar iron scored even a greater percentage of gain within a shorter time, the price advancing from ninety-five cents a hundred in July, 1897, to $2.60 in October, 1899. The quotation for clear-pine boards has advanced from $45 to $73 a thousand; for brick, from $4.50 to $6; rope, from five and one-quarter to thirteen cents; and salt, from twenty-one cents to $1. Take the advance of some of the Southern products in that same period. We see linseed oil marked up from twenty-nine cents to sixty-eight cents, turpentine from twenty-six cents to fifty cents, molasses from twenty-eight cents to fifty-five cents.

These extreme advances in prices have not been fully maintained, but the present level of market quotations is still fifty to eighty per cent. above prices in 1897 and 1898 for many commodities.

So the list might be continued. These examples are extreme, and the low level was probably unduly depressed. But they tell the story of why our exports have failed to go on increasing and they have been an important influence in the inflation of bank credits.

When a railroad company had to pay $35 a ton, as against $17.50, for steel rails, its improvements became relatively very costly and its issues of securities against permanent betterments must be on a much more liberal scale. The cost of production in every direction has been increased until we find

ourselves actually importing from some of the identical markets that two or three years ago were in a panic over our invasion.

Prices of securities advanced along with other prices, and attracted the holdings of foreign investors, until we swept the Continent of Europe almost clean of our stocks and bonds, and greatly reduced the holdings of English investors.

We still had an ample total of excess of exports, however, and out of our favorable trade balance we could pay for reams of securities and still have something left. We did not stop at buying our own securities, but began making great foreign investments, to the astonishment of the financial world, turning the tables upon Europe and sending a great stream of credit for investment there. The result was that by the year 1900, in spite of a nominal foreign trade balance of nearly 350 millions in our favor, the net result of the gold movement that year was an export of about four million dollars. The next year we brought in a few more millions of gold than we sent out, and we did the same last year, but since 1898 there has, in spite of the theoretical trade balance, been no significant shipment of gold in our direction.

America's Floating Debt to Europe.

There has, however, been a movement in international finance, which is not reflected in the customs statements. We have been building up a floating debt to Europe, made up of borrowings in the form of short-time bills. The exact total of that floating indebtedness at the present time is one of the difficult problems of finance, but it must be very large. I have heard it estimated by financiers in foreign capitals as high as two hundred to three hundred millions. That estimate, I believe, is far to high; but, even so, the total we must admit is important.

Particularly is it important in view of the statistics of bank reserves, to which I have before referred. In 1899 the National banks held thirty-three per cent. of reserve. In their vaults was a good part of the 105 millions of gold which had come in from abroad the preceding year. It was this excess of reserve which permitted loans to expand one billion three hundred millions since that date without adding a dollar to the stock in the bank vaults of specie and legal tenders. But now we have gone to the limit in that respect. This last report shows less than twenty-one per cent. of reserve for all the National banks of the country. Not one of the three central reserve cities was up to the legal limit. Twenty-two of the thirty other reserve cities were below the legal limit.

We have seen what a great expansion of deposits and loans both, remember, almost wholly but evidences of bank credit, could follow the increase in the reserve basis that came with the gold importations of 1897 and 1898. We see from this last statement of the Comptroller that the expansion has reached the utmost limit possible with the present basis of specie and legal tenders. Is it not well to ask, What of the future? If a hundred-million-dollar importation of gold can serve as a basis for an expansion of so many millions of deposits and loans, what will an exportation of one hundred millions mean? Will not the answer lead us to ponder on the probable effect of future gold movements? Does our foreign commerce give promise of a trade balance great enough again to induce gold to flow in this direction? Let us examine recent records. For the first nine months of this year our imports increased

over last year fifty-six millions, and it must be remembered that the total imports for last year were three hundred millions more than in 1898. On the other side of the book, our exports for the nine months of this year decreased one hundred and eight millions, so that the record for the nine months shows a net balance of one hundred and sixty-four millions more unfavorable than the corresponding nine months of the previous year. In the same time we have lost eight millions of gold. For the twelve months ending with September our favorable trade balance was 420 millions against 641 millions for the previous twelve months, a decrease of two hundred and twenty-one millions.

The evidences, then, of advancing prices that check exportation and increase importation, the absorption of our favorable trade balance in foreign investments and in the repurchase of securities, the uncertain totals of our floating indebtedness represented by short-time finance bills, all taken in connection with the fact that any reduction of the specie reserve held by banks must be followed by liquidation which will again establish the proper relation between reserve and deposit liability, would seem at least to point to the conclusion that this is not a time favorable for the expansion of bank credits.

I wish by no means to present an alarming view of the outlook. What I do wish to do is merely to sound a conservative note of warning. I believe there are in the situation tendencies in which are elements of possible danger. On the other hand, I by no means forget the long list of favorable conditions upon the opposite side of the account. I have the most absolute faith in our ultimate commercial ascendency. I believe no one who has carefully studied industrial conditions in this country and in Europe can reach a conclusion unfavorable to the prospect of our own progress. We have the cheapest and most nearly inexhaustible supply of raw material, the greatest genius in the handling of machinery for its conversion into manufactured products, the broadest single homogeneous market in the world upon which to base substantial domestic business, which will serve as a foundation for foreign commercial conquest. We have numerous advantages over our competitors, and in the end the combined effect of these advantages is absolutely certain to place us foremost in the world's commercial ranks. It is in no wise opposed to this view of ultimate commercial supremacy—a view which no one more strongly holds than I do—that I have pointed out conditions which I believe, if not guarded against, will threaten for the time being our continued progress toward that goal. A judicious recognition of the restricting conditions now visible in our financial situation may save us from disaster and humiliation later on—a humiliation from which recovery will be slow and painful. If a realization of these dangers and an effort to avoid them shall in any measure result from what I have said to you, I shall consider this opportunity for meeting you doubly valuable.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Court of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

NEGOTIABLE BONDS—TITLE OF PURCHASER.

United States Circuit Court, Southern District of Georgia, March 29, 1901.

CENTRAL RAILROAD AND BANKING COMPANY OF GEORGIA vs. FARMERS' LOAN AND TRUST COMPANY.

FARMERS' LOAN AND TRUST COMPANY vs. CENTRAL RAILROAD AND BANKING COMPANY OF GEORGIA.

A purchaser of outstanding negotiable bonds, from one who was a *bona fide* holder for value before maturity without notice of an infirmity therein, takes all the rights of the seller, although the second purchaser may have had notice of such infirmity when he bought; and it is immaterial that he purchased after maturity.

Negotiable bonds are not dishonored, so as to affect the equities of a purchaser, because at the time of his purchase he had knowledge that there had been default in the payment of interest thereon.

These were suits to enforce payment of certain bonds issued by the Port Royal and Augusta Railway Company.

SPEER, *District Judge* (omitting part of the opinion): The exception to the finding of the master that the intervenors Robert S. Adams and the Charleston and Western Carolina Railway passed the equities of *bona fide* holders of the bonds proven in this proceeding, is also without foundation. In the first place, under the circumstances, there is a *prima facie* presumption of good faith in favor of the holders, which respondent must overcome. (Town of Pana vs. Bowler, 107 U. S. 541, 542.)

Not only is there no attempt to do this, but it abundantly appears from the record that the holders of these bonds, Abram S. Hewitt, Simon Borg, and others, who sold them to Thomas & Ryan, were innocent purchasers *bona fide* and for value. The title of some of these purchasers dated from the original issue, and the title of all long antedated any of the litigation in these causes. If it were conceded that Thomas & Ryan had notice of the alleged infirmities in these securities, which the respondent insists has vitiated them, nevertheless, since they bought from innocent purchasers, the bonds in their hands are attended by all the equities they ever possessed. The rule is announced in Cromwell vs. Sac Co. 96 U. S. 59:

"Whenever a negotiable paper has passed into the hands of a party unaffected by previous infirmities, its character as available security is established, and its holder can transfer it to others with the like immunity. His own title and right will be impaired if any restriction were placed upon his power of disposition."

The Court continues:

"The plaintiff, therefore, holds the bonds and the subsequent coupons as his vendor held them, freed from all infirmity attending the original issue."

In Commissioners vs. Clark, 94 U. S. 286, the rule is otherwise expressed as follows:

"Where the first indorsee purchases an instrument before due, and pays value, without notice of any prior equities, the second indorsee, holding under the first, takes a good title, even though he had notice of such prior equities."

This rule is expressed in Story, Eq. Jr. Sec. 409, as follows:

"A purchaser with notice may protect himself by purchasing the title of another *bona fide* purchaser for a valuable consideration without notice; for, otherwise, such *bona fide* purchaser would not enjoy the full benefit of his own unexceptionable title. Indeed, he would be deprived of the marketable value of such title, since it would be necessary to have public notoriety given to the existence of the prior incumbrance, and no buyer could be found, or none except at a depreciation equal to the value of the incumbrance. For the same reason, if a person who had notice sells to another who had no notice and is a *bona fide* purchaser for a valuable consideration, the holder may protect his title, although it was affected with an equity arising from notice in the hands of the person from whom he derived it; for, otherwise, no man would be safe in any purchase, but would be liable to have his own title defeated by secret equities of which he could have no possible means of making discovery."

The rule and its reason have been stated as follows:

"A púrchaser without notice from one who has fraudulently purchased is not affected by the fraud; and it is also a well-settled rule of equity that a man who is a purchaser with notice himself from a person who bought without notice may protect himself under the first purchaser. The reason is to prevent a stagnation of property, and because the first purchaser, being entitled to hold and enjoy, must be equally entitled to sell." (Will. Eq. Jur. p. 608.)

If, then, it be conceded that the interest of Thomas & Ryan, who acted for the Charleston and Western Carolina Railway in buying these bonds, was precluded by some actual notice of some invalidity, yet they can call to their aid the fact that their predecessors in ownership, who purchased without notice of any defense, and with propriety, contend that to the rights of those predecessors they have succeeded. (Commissioners vs. Bolles, 94 U. S. 109.) But we have not been able to discover in this record any evidence of fraud on the part of Thomas & Ryan which, if they were the present holders, would deny them payment for these bonds. Nor, if, as contended, the bonds were purchased after maturity, does this avail the respondents. A bond, if valid at all, is as good after as before maturity, and it is valid unless there is some defense to it. Certainly, the principal obligor, the Port Royal and Augusta Railway Company, made no defense, and by the judgment of a court having jurisdiction the bonds have been pronounced valid. It is true that the Central Railroad and Banking Company of Georgia insists that its guaranty of these bonds was *ultra vires* of its charter. But this defense, if good at all, is as good against a purchaser before maturity of the bond as afterwards. It appears, however, that the purchase of Thomas & Ryan was not made after maturity. Thomas & Ryan purchased these bonds, paying face

value and interest therefor, in March, 1896. The bonds were transferred to the Charleston and Western Carolina Railway on September 16, 1896. The bonds matured July 1, 1898. It is true that there has been a default in interest on these bonds, and thus they were said to be dishonored. But it is said in Foley vs. Smith, by the Supreme Court of the United States (6 Wall. 492):

"The rule of law that he who takes a note overdue and dishonored takes it encumbered with all equities between the parties to it, is the law of Louisiana, as well as of those States which have adopted the common law."

As we understand the rule, there is no dishonor which affects the equities of the purchaser of negotiable instruments, save the failure to pay at maturity.

LIABILITY OF DIRECTORS—KNOWLEDGE OF INSOLVENCY—RECEIPT OF DEPOSITS WHEN BANK INSOLVENT.

Court of Appeals of New York, April 8, 1902.

CASSIDY vs. UHLMANN, *et al.*

Where a bank director has absolute knowledge that the bank is hopelessly insolvent, and fails to take such steps as lie in his power to close the bank for business, and takes part in any arrangement which permits the bank to be kept open, and deposits to be received, he is personally liable for damages to a depositor who is ignorant of the insolvency, and whose deposits were thereafter received, though the director has expressed an opinion that deposits should not be received, and an arrangement has been entered into for their receipt under proper restrictions, where such arrangement was subsequently abandoned.

Where a director discovers the insolvency of the bank, he will be liable for deposits thereafter received, unless he calls a meeting of the board of directors, or communicates with the Superintendent of the Banking Department, or instructs the Cashier to discontinue the taking of deposits, or warns individual depositors of such insolvency.

In an action by a depositor against a director of a bank for fraud in accepting deposits with knowledge of the bank's insolvency, where a *prima facie* case of fraud is made out, the burden of explanation is on defendant.

Where, at a meeting of the directors of a bank, the books are examined, and it is apparent that the surplus is gone and that the capital is impaired, and, in the language of a director at the time, that "the bank is busted," it is sufficient to establish knowledge on the part of such director of the insolvency of the bank, so as to render him liable for deposits thereafter received.

In an action against a bank director to recover deposits received after known insolvency of the bank, evidence that checks were drawn at a meeting held after the bank had suspended payment, at which such director was present, in favor of a corporation of which he was president, and of a corporation of which his brother was an officer, and in favor of the State Treasurer, with whom close relations existed, and that such checks were paid by the bank's clearing-house agent, and were for a larger amount than the visible assets of the bank at the time the insolvency was discovered, is admissible as part of the *res gestae*.

The plaintiff, as assignee of the claims of several depositors in the Madison Square Bank, brought this action against the President and two directors thereof to recover damages for their alleged fraud and deceit in directing and permitting said bank to remain open for the transaction of its regular business after it had become hopelessly insolvent, and in directing and permitting said bank to receive the deposits made by plaintiff's assignors while said bank was in said insolvent condition, and with full knowledge thereof. The complaint charges, in substance, that the Madison Square Bank was a moneyed corporation organized under the laws of this State, and prior to August, 1893, engaged in the banking business in the city of New York; that on August 7

and 8, 1893, the plaintiff's assignors deposited certain moneys with said bank; that it was then hopelessly insolvent, and permanently closed its doors at the end of banking hours on August 8, 1893; that the defendant Blaut, as President of said bank, and the defendants McDonald and Uhlmann, as directors thereof, constituting a committee having the charge, management, direction, and actual control of said bank, and having knowledge of its insolvency, did direct the same to be kept open for the regular transaction of its business, for the purpose of inducing depositors to deposit moneys therein, and, with that purpose and intention, did represent to the depositors of said bank that it was solvent and could properly and lawfully accept deposits; that said representations were false; that while said bank was insolvent it received the moneys of the plaintiff's assignors; that this was done with the consent, direction, procurement and instigation of said defendants, who wrongfully concealed from said depositors the actual condition of said bank, to their damage to the extent of their said deposits, less the dividends paid to apply thereon by the Receiver of said bank. Service of the summons herein was never made upon said Blaut, the President of said bank. McDonald, although served, died before the trial of the action, and it has not been revived as against his personal representatives. The appellant, Uhlmann, is therefore the sole defendant. He presented no evidence.

WERNER, *J.* (omitting part of the opinion): The theory upon which the action was brought, and upon which the defendant has been held liable in the courts below, is that by taking part in directing the receipt of deposits by said bank, knowing that it was insolvent, the defendant was guilty of a fraud, by which the plaintiff's assignors were damaged, and which gave them or their assignee a cause of action. This charge of fraud is predicated not alone upon the ordinary duties with which the defendant was charged by virtue of his office as a director of the bank, but upon those duties in connection with others which he is said to have voluntarily assumed by his course of conduct during the last days of the bank.

It is evident that we can arrive at no just conclusion upon the questions involved in the action without an approximately correct understanding of the relations to each other of the parties interested in the controversy. The ordinary relation between a bank and its depositors is that of debtor and creditor. (Cragie vs. Hadley, 99 N. Y. 133, 1 N. E. 537, 52 Am. Rep. 9; Bank vs. Hughes, 17 Wend. 94; Bank vs. Loyd, 90 N. Y. 530; Ætna Nat. Bank vs. Fourth Nat. Bank, 46 N. Y. 86, 7 Am. Rep. 314; Crawford vs. Bank, 100 N. Y. 53, 2 N. E. 881, 53 Am. Rep. 152; Fowler vs. Bank, 113 N. Y. 453, 21 N. E. 172, 4 L. R. A. 145, 10 Am. St. Rep. 479.) This is because cash, when deposited, ceases to be the money of the depositor, and becomes the property of the bank.

A different rule obtains, however, when by reason of fraud or insolvency, the title to the deposited money does not pass. In such a case the bank becomes a trustee *ex maleficio*, and of course the relation of trustee and *cestui que* trust is created. (Atkinson vs. Printing Co. 114 N. Y. 168, 21 N. E. 178.)

So far as creditors are concerned, the relation between a bank and its directors is that of principal and agent. (Briggs vs. Spaulding, 141 U. S. 132, 11 Sup. Ct. 924, 35 L. Ed. 662.)

There is also a qualified trust relation between the directors of a bank and its stockholders, on one hand, and between such directors and the bank's

creditors, on the other. Since the affairs of a bank are necessarily subject to the exclusive control of its directors, the acceptance of the office of director carries with it the implied and inherent obligation to perform the duties thereof in such a way as to promote the best interests of the stockholders. (Duncomb vs. Railroad Co. 84 N. Y. 199; Iron Co. vs. Parish, 42 Md. 599.)

So long as a bank is solvent and continues its business in the regular and proper way, its directors are neither agents nor trustees of the creditors. But when a bank is insolvent, its directors, who continue to serve as such, become trustees for the creditors, because they are the custodians of the bank's assets, which constitute a trust fund for the payment of its debts. (Beach vs. Miller, 130 Ill. 162, 22 N. E. 464, 17 Am. St. Rep. 291; Haywood vs. Lumber Co. 64 Wis. 639, 26 N. W. 184; Richards vs. Insurance Co. 43 N. H. 263.)

An incorporated bank must, of course, be conducted through the intervention of duly authorized officers and agents. The board of directors of a bank has the general superintendence and active management of all its concerns, and for all practical purposes the board is the corporation. As a general rule a board of directors must act as a board. But since directors do not exercise a delegated authority in the sense which applies to other officers and agents, it is clear that a board of directors may delegate some of its powers to committees and individuals selected from the board. This is common practice in the management of banks as well as other corporations.

Since a board of bank directors is composed of individuals, it is manifest that each director sustains a distinct relation, not only to his bank, but to its stockholders and depositors. For obvious reasons, the duties which attach to this relation cannot be precisely defined. They cannot be the same under all circumstances, nor can they be imposed with unvarying exactness upon all directors alike.

Again, applying a general rule, bank directors are bound to administer the affairs of a bank according to the terms of its charter, in good faith and with reasonable care and diligence. (First Nat. Bank vs. Ocean Nat. Bank, 60 N. Y. 278, 19 Am. Rep. 181.)

Those who deal with a bank have the right to expect reasonable diligence and good faith at the hands of its directors. If the latter fail in either, they violate a duty which they owe to both stockholders and depositors. Justice and public policy require that, when one voluntarily takes the position of bank director, he should exercise at least the same degree of care that men of common prudence exercise in their own affairs. (Hun vs. Cary, 82 N. Y. 65, 37 Am. Rep. 546.)

In the light of the foregoing general observations, let us now look at the situation presented by this record, to ascertain the duties and liabilities, if any, of the defendant towards the plaintiff's assignors. Of the history of the Madison Square Bank which antedated August 2, 1893, we know nothing, except that the defendant was a member of its board of directors, and that it had not been his custom to visit the bank outside of banking hours. Beginning with the latter date, we find him at the banking house on that evening, on Friday evening, August 4, on Saturday evening, August 5, on Monday evening, August 7, and on Tuesday evening, August 8. His conduct, and the unfortunate termination of the bank's history on the latter date, clearly point to the purpose of these visits. It was undoubtedly to obtain definite proofs of facts relating to the bank's condition, which must have been brought to

his attention in some way and at some time prior to August 2, 1893. His worst fears were realized. On August 5, 1893, he knew beyond peradventure that the bank was insolvent. This was not an accidental discovery of doubtful import, but the accurate result of a careful and systematic investigation. The later judicial determination of this bank's utter insolvency was but an echo of the defendant's declaration of August 5: "The surplus is gone. The capital begins to walk off. The bank is busted." Who were the defendant's associates during the week of investigation which preceded this declaration? McDonald, a codirector, and Thompson, codirector and Cashier. The remainder of the eleven who constituted the board of directors were not present, nor does their presence seem to have been considered indispensable, for the record is silent as to whether any attempts were made to secure any meetings of the board during that week. On Friday evening, August 4, the defendant's codirector McDonald was attended by his counsel, while Morton and the defendant were discussing the statement of the bank's affairs which the former was preparing at the request of the latter. On the next morning, or at any rate during the next day, the completed statement was shown the defendant, and his expression above quoted clearly demonstrates how well founded were the fears which led the defendant into the investigation. "The bank is busted." Is anything to be done? To the man of ordinary prudence, actuated by honest motives, such an emergency would suggest that something ought to be done, and that quickly. What more natural than that a meeting of the board of directors should be held, or at least called? But the record is barren of any suggestion of that kind. On the contrary, the self-constituted triumvirate consisting of the defendant, McDonald, and Thompson, hold another evening meeting. Although we have here a bank governed, as defendant now contends, by a board of eleven directors, these three meet to discuss and decide the question whether the bank shall open for business on Monday morning, whether deposits shall be received, and, if so, under what conditions. They finally decide that the bank shall open, and that deposits shall be received in the manner above set forth. Was this done because it was impossible to procure a meeting of the board of directors? We do not know, for the record is silent upon that subject. Was it because there was hope of extricating this bank from its difficulties? Evidently not, for it is conceded that there was no substantial change in its condition between Saturday night and Tuesday afternoon when it closed its doors, hopelessly insolvent. A private banker who continues to take deposits under such circumstances is clearly guilty of fraud. (Anon. 67 N. Y. 599.) The same rule applies against a corporate bank. (Cragie vs. Hadley, 99 N. Y. 131, 1 N. E. 537, 52 Am. Rep. 9.)

Counsel for the defendant, while conceding the soundness of the rule referred to, contends that it has no application to the case at bar. As the defendant was neither a private banker nor a corporate bank, it must be admitted that it does not apply unless the acts of the defendant supply the analogy to make it applicable. It is urged on defendant's behalf (1) that the affirmation of solvency implied in keeping the bank open for the receipt of deposits was the affirmation of the bank, and not of the defendant; (2) that since a corporate bank can only act through its board of directors, as a board, the defendant's acts were without power, and that there can be no duty where there is no power; (3) that defendant did nothing as a result of which the

bank was kept open, or the receipt of deposits was continued. It is true that primarily the affirmation of the bank's solvency implied in keeping it open for the receipt of deposits was the act of the bank. It is equally true that a corporate bank usually acts through its board of directors. We think it is not true that the fraud in this transaction was the fraud of the bank alone, nor can we admit the soundness of the argument that the defendant had neither power nor duty in the premises. Power and duty, even when strictly correlative, are never exact and unvarying, unless they arise out of fixed, clearly defined, and unchanging conditions. Such conditions rarely exist in any phase of commercial activity This is particularly true of banking. The executive officers of corporate banks are necessarily vested with large discretionary powers. In delegating some of its powers to others, a board of directors does not abdicate its other functions; nor do the individual members of the board become mere automatons, bereft of the power of speech and action except when the mechanism of the board is set in motion. There are many emergencies which call for individual action by directors, although no formal authority has been conferred. If a bank director should discover a fire in his banking house, he would not wait for a formal meeting of the board of directors to authorize him to make an attempt to extinguish the fire or to call out the fire department. If a theft of the bank's money should be attempted in the presence of a single director, under such circumstances that his prompt interference would easily prevent its consummation, no one would seriously question that director's power and duty in the premises because the charter and by-laws of the bank contained no provision to meet such an emergency. If, in such a case, a director should try to do his obvious duty and fail, he would, of course, incur no liability. But suppose he should actually participate with a bank officer, of superior or equal grade, in starting the fire or committing the theft; could there be an utter absence of duty and liability, simply because there was an apparent lack of formal power?

In the case at bar the defendant felt called upon to make an investigation of the bank's condition. We will assume that this may have been done with the best of motives. The investigation was pursued to the point where defendant was confronted with indubitable proofs of the bank's ruin. This was not later than Saturday night, and probably was as early as Saturday morning, August 5. He was then chargeable with knowledge that any attempt of the bank to continue business under such conditions would be a fraud upon those who continued to deal with it in ignorance thereof. His appreciation of this fact is attested by his suggestion that it would not be right to continue taking deposits in view of the condition of the bank. When McDonald suggested that deposits be received in the qualified way above referred to, there was no intimation from the defendant that the absence of a quorum of the board rendered all action impossible. When the direction was given to continue the taking of deposits, the defendant gave no sign that he objected to the Cashier's receiving orders from a single director. There was no dissent, no objection; and this, we think, was equivalent to acquiescence. It is to be remembered that the defendant was not a mere director, actually ignorant of the real state of affairs, and hastily called into an impromptu conference. For nearly a week he had been in daily and almost constant intercourse with the men who were present on that Saturday evening. Between them, they had pursued such a systematic investigation of the

bank's condition as would ordinarily be undertaken only at the instance of the board of directors. The President of the bank had not been at the banking house since the previous Wednesday. Somebody was managing that bank. Was it the President, or the board of directors, or the Cashier in conjunction with his codirectors, the defendant and McDonald? The events of that week furnish a convincing answer to these inquiries.

"But," asks the defendant's counsel, "what particular thing was the defendant called upon to do?" As we have already intimated, the question cannot be answered categorically. At first suggestion it seems so direct and plausible as to raise serious doubts whether there is anything that the defendant could or ought to have done. But upon second thought the true situation presents itself. This is not the case of a passive and ignorant director, confused by a sudden emergency, but rather that of one whose voluntary activity and assumption of power disclosed a condition which forbade the continuance of the corporate business. This disclosure was made on Saturday, after several days of investigation, during which the official head of the bank had been conspicuous by his absence. The ruin was complete. Under the circumstances above referred to, this was known to the defendant, unless we clothe the office of bank director with a sacred and unique immunity from all intelligence and knowledge. In these conditions there were several things that the defendant could have done. He could have called a meeting of the board of directors. He could have communicated with the Superintendent of the Banking Department between Saturday and Monday. He could have instructed the Cashier to discontinue the taking of deposits until some other official action could have been taken. He could quietly have warned individual depositors that no further deposits would be received until further notice. He could have publicly announced that the bank would be closed pending official investigation. These suggestions will, of course, meet with a variety of answers. It is said that we do not know whether the defendant called a meeting of the board of directors or communicated with the banking department. That is true, but we would know if the defendant had told the court what he knew upon the subject. "But," says the defendant, "this is an action based upon fraud, and, as fraud is never presumed, it must be proved." Again we assent, but with this qualification: When a *prima facie* case of fraud has been made out, the burden of explanation is thrown upon the defendant. Then, again, it is suggested that, if the defendant had instructed the Cashier to discontinue the receipt of deposits, it might have been of no avail, for the Cashier was at least the official equal of the defendant, and subject to no orders except from the board of directors. It may be true that the Cashier was under no obligation to obey an individual director. But he had done so. He had yielded such obedience in coming to the bank in the evenings, in making, or having made, tabulated statements of the bank's finances, and was about to obey McDonald in continuing the taking of deposits under the arrangement suggested by him.

In the light of these facts, it is not difficult to understand that the Cashier would not have dared to disobey a direction so obviously proper and honest. With reference to the suggestion that the defendant might have warned individual depositors of the bank's insolvency, or, if all else failed, have announced it publicly, defendant's counsel argues that no reasonable rule of law places upon a director such a duty and responsibility. To the extent that this obser-

vation applies to bank directors generally, we concur in it. We cannot admit its application to the case of this defendant. It may be assumed that no man of ordinary intelligence and prudence would resort to such extreme measures until all others had been exhausted, and then only in a case of clear and hopeless insolvency. But here it must either be assumed that the defendant avoided the obvious and simple duty of calling a meeting of the board of directors, or that it was impossible to procure one to be held. If it was impossible, then it must have been evident to the defendant that there was no hope for the resurrection of an insolvent bank whose directors could not be brought together for a meeting. We think that under such conditions it was as clearly the duty of the defendant to warn intending depositors, or to make public announcement of the bank's insolvency, as it would have been his duty to avoid these drastic measures in other circumstances. It is urged that the defendant has been punished for his diligence, and that the negligence of his fellow members of the board of directors is their passport to absolute freedom from liability. Like many other suggestions in this case, this has a taking sound, but, in our judgment, it will not stand the test of analysis. We are not now concerned with any alleged negligence of any other director. Nor is the judgment herein the defendant's penalty for his diligence. Had the knowledge which the defendant gained in making his investigation been properly used, instead of being fraudulently concealed, the defendant would have received the commendation of the courts, instead of condemnation. We regard this as a case of diligence misapplied and misused; of diligence apparently exerted for personal ends at the expense of official constancy.

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We therefore conclude that the judgment of the appellate division should be affirmed, with costs.

Parker, *C.J.*, Haight and Martin, *JJ.*, dissented.

SUIT BY RECEIVER OF NATIONAL BANK—JURISDICTION OF FEDERAL COURT.

United States Circuit Court of Appeals, Third Circuit, April 21, 1902.

MCCARTNEY vs. EARLE.

A suit brought by the Receiver of a National bank, by direction of the Comptroller of the Currency, to enforce a liability due to the bank, and to secure a sale under the order of the court of pledged securities, constituting a considerable part of its assets, is one for winding up the affairs of the bank, within the meaning of the proviso to section 4 of the Federal judiciary act of 1888, and within the jurisdiction of a circuit court of the United States, without regard to the citizenship of the parties.

Appeal from the Circuit Court of the United States for the Eastern District of Pennsylvania.

For opinions below, see 109 Fed. 13, 112 Fed. 372.

Before Acheson, Dallas and Gray, Circuit Judges.

DALLAS, *Circuit Judge:* This was a suit in equity in the circuit court for the Eastern District of Pennsylvania. It was brought in February, 1899, by the Receiver of an insolvent National bank, by direction of the Comptroller of the Currency, to enforce a liability due to the bank, and to dispose of a considerable part of its assets. It was of the class of "cases for winding up the affairs of any such bank," which is excepted from the operation of section

4 of the act of August 13, 1888 (25 Stat. 433); and as it was commenced by an officer of the United States, in pursuance of the direction of another officer thereof, the circuit court was unquestionably right in taking and retaining jurisdiction of it. (Armstrong vs. Trautman [C. C.] 36 Fed. 276; Stephens vs. Bernays [C. C.] 44 Fed. 642; Yardley vs. Dickson [C. C.] 47 Fed. 835; Fisher vs. Yoder [C. C.] 53 Fed. 565; Ex parte Chetwood, 165 U. S. 443; Auten vs. Bank, 174 U. S. 125.)

AUTHORITY OF PRESIDENT—REPRESENTATIONS MADE TO SURETY COMPANY—BOND OF CASHIER.

United States Circuit Court of Appeals, April 8, 1902.

UNITED STATES FIDELITY AND GUARANTY CO. VS. MUIR.

It is no part of the duty of the President of a bank to make a statement as to the honesty and fidelity of an employee, for the benefit of the latter, and to enable him to obtain a bond insuring his fidelity.

In error to the Circuit Court of the United States for the District of Vermont.

Before Wallace, Lacombe and Townsend, Circuit Judges.

This action was brought to recover the penalty of a bond executed by the defendant guarantying the faithful performance by Charles W. Mussey of his official duties as Cashier of the Merchants' National Bank.

The bond was dated December 27, 1898. Prior thereto the American Surety Company had been the surety for the Cashier. He applied to the board of directors to be allowed to substitute the defendant company, for the reason that it would cost him less. Consent was given by the board to his doing so if he could obtain a bond from the new company. No other action was taken by the board, Mussey being left to take whatever steps were necessary to procure it. There were defalcations by the Cashier, subsequent to the execution of the bond, in excess of its penalty; and for a considerable period of time before the bond was applied for, the Cashier was a defaulter in a sum in excess of $20,000. The principal defalcation consisted in having loaned to Marvin A. McClure funds of the bank, for which he took said McClure's notes, without authority and against the will of the bank, and under circumstances which amounted to embezzlement of the funds of the bank. An examination and comparison of the notes in the bank with the discount register and general balance would at any time have immediately detected the defalcation. A committee of the board of directors made periodical examinations, but failed to discover anything wrong, because even in the examination of the accounts they placed entire confidence in the Cashier. When he applied for the bond, Mussey, the Cashier, presented a written application, in which he made certain representations and answered certain questions. He also presented a paper called "Employer's Statement," which contained the following:

"The replies of the applicant herein are, to the best of my knowledge and belief, correct. He has been in the service of the undersigned employer since March 1, 1885, filling position of Cashier, and has continuously filled the position for which this bond is required since March 1, 1885. He has always, to the best of my knowledge and belief, given satisfaction in his personal con-

duct and performance of duties, and kept his accounts faithfully and without default. When last examined or audited by board of directors, on December 12, 1898, all the accounts of his office were found in every respect correct up to December 12, 1898.

He has not been, nor is he at present, so far as I know or believe, in arrears, default, or with unsettled balance, in this or any previous service. I know of nothing concerning his habits or antecedents affecting his title to confidence, and I know of no reason why the guaranty hereby applied for should not be granted."

This statement was signed by Mead, the President of the bank, at the request of Mussey, who brought it to him filled out. He signed it entirely of his own motion; neither the board of directors, nor any of the directors individually, having ever directed or authorized him to sign such statement, or having even heard of its existence.

LACOMBE, *Circuit Judge* (omitting part of the opinion): In the first place, it may be noted that there is no suggestion of any fraud in the case, except on the part of Mussey. The President and the directors all acted with entire good faith. Each and all of them honestly believed that the Cashier was faithful and his accounts correct. In the second place, there is no question here of any warranty. It was entirely within the power of the surety company to have made some statement as to the Cashier's past faithfulness a part of the policy, or even to refer in the policy to the application and employer's statement, making them a part of the contract; but, for some sufficient reason, it chose not to do so. In the third place, although the directors may have been grossly negligent in their examination of the Cashier's accounts, a stranger can not make of that negligence alone a cause of action or a ground of defense. Apparently the defendant concedes this, because the argument for reversal is based upon the propositions that the surety company had no knowledge or information as to the Cashier's accounts, except this employer's statement; that it believed the same; that it issued the bond in reliance upon the truth of said statement; and that but for such belief and reliance it would not have issued said bond.

The only question in the case, then, is, Did the bank, the obligee, under this contract, make this statement or representation as to the examination of the Cashier's accounts, and the result of such examination? Upon the facts in proof here, this is no longer an open question in the Federal courts. The decision of the United States Supreme Court in Surety Co. vs. Pauly, 170 U. S. 133, is controlling. In that cause a surety company had given a bond for the faithful performance of his duties by a Cashier. Prior to execution of the bond the Cashier had made a written application containing answers to certain questions as to age, history, habits, etc., and had presented a certificate signed by the President of the bank, neither of which documents were referred to in the policy, or made by reference a part of the contract. The certificate is substantially the same as the statement now before us. It reads:

"I have read the foregoing declarations and answers made by George N. O'Brien, and believe them to be true. He has been in the employ of this bank during three years, and, to the best of my knowledge, has always performed his duties in a faithful and satisfactory manner. His accounts were last examined on March 28, 1891, and found correct in every respect. He is not, to my knowledge, at present, in arrears or default. I know nothing of

his habits or antecedents affecting his title to general confidence, or why the bond he applies for should not be granted to him."

The certificate in the Pauly Case, as the statement in this case, was signed by the President of the bank of his own motion. Referring to many authorities cited in argument, the supreme court calls attention to the circumstance that many of them arose directly between the sureties and corporations represented by their boards of directors, or by some of their officers, acting within the authority conferred upon them; and the others arose out of the agent's acts or declarations in the course of the business intrusted to him. The Court then proceeds:

"None of the cases cited embrace the present one. In the first place, the procuring of a bond for O'Brien, in order that he might become qualified to act as Cashier, was no part of the business of the bank, nor within the scope of any duty imposed upon Collins as President of the bank. It was the business of O'Brien to obtain and present an acceptable bond. And it was for the bank, by its constituted authorities, to accept or reject the bond so presented. The bank did not authorize Collins to give, nor was it aware that he gave, nor was he entitled by virtue of his office as president to sign any certificate as to the efficiency, fidelity or integrity of O'Brien. No relations existed between the bank and the surety company until O'Brien presented to the former the bond in suit. What, therefore, Collins assumed, in his capacity as President, to certify as to O'Brien's fidelity or integrity, was not in the course of the business of the bank, nor within any authority he possessed. He could not create such authority by simply assuming to have it. The circuit court of appeals well said that there were many acts which the President of a bank may do without express authority of the board of directors, in some cases because the usage of the particular bank impliedly authorized them, in other cases because such acts were fairly within the ordinary routine of his business as President, but that the making of a statement as to the honesty and fidelity of an employee, for the benefit of the employee, and to enable the latter to obtain a bond insuring his fidelity, was no part of the ordinary routine business of a bank president; and there was nothing to show that, by any usage of this particular bank, such function was committed to its President. It must therefore be taken, as between the bank and the company, that the former cannot be deemed, merely by reason of Collins' relation to it, to have had constructive notice that he, as President, gave the certificate in question."

It is true that in the Pauly Case the President and Cashier were in collusion; but the above excerpt places the decision on the broader ground, and that decision is in no way qualified by Guarantee Co. of North America vs. Mechanics' Sav. Bank, 22 Sup. Ct. 124, 46 L. Ed. ——. In the case last cited, before the Cashier's bond was issued the company "submitted for reply on behalf of the bank" certain questions, addressed to the President, which, and the answers thereto by the President as such, are referred to in the bond as "Employer's Guaranty, No. 154,806." The bond further contained this clause:

"That any written answers or statements made by or on behalf of said employer in regard to or in connection with the conduct, duties, accounts, "or methods of supervision of the said employee, delivered to the company, either prior to the issue of this bond or to any renewal thereof, or at any time

during its currency, shall be held to be a warranty thereof, and form a basis of this guaranty, or of its continuance."

In differentiating this case of the Mechanics' Savings Bank from the Pauly Case, the supreme court says:

"The statements were made, and were required to be made, on behalf of the bank, and the President acted for the bank in so doing; and the bonds were procured by the bank, and the bank paid the premiums."

The fundamental principle laid down in the Pauly Case is unqualified by the later decision, and is controlling of this case.

The judgment is affirmed.

NATIONAL BANK—LOANS ON MORTGAGES.

Court of Appeals of Kentucky, September 17, 1902.

MAGOFFIN VS. BOYLE NATIONAL BANK OF DANVILLE.

Though a National bank is not authorized to take mortgages upon real estate as security for loans, it may be substituted to the rights of a surety who has taken such a mortgage.

This was an action to enforce a mortgage lien.

HOBSON, *J.* (omitting part of the opinion): It is earnestly insisted that as the National Banking Act does not authorize National banks to take mortgages upon real estate, appellee cannot be allowed to be substituted to the rights of the surety, as this would allow it to accomplish by indirection what the statute was designed to prevent. But whatever force there might be in this as an original proposition, it is sufficient to say that the law has been settled otherwise. (Bank vs. Whitney, 103 U. S. 99; Fortier vs. Bank, 112 U. S. 439, and cases cited.)

COLLECTIONS—DUTY OF COLLECTING BANKS—TITLE TO PAPER.

Court of Appeals of New York, October 7, 1902.

NATIONAL REVERE BANK OF BOSTON VS. THE NATIONAL BANK OF THE REPUBLIC OF NEW YORK.

Possession by a bank of drafts which it claims to own and forwards to a correspondent for collection gives rise to the presumption that such bank owns the drafts, and entitles the bank to be treated in law as the owner in the absence of any distinct proof that it was not the owner of the paper.

In the absence of proof that paper forwarded by one bank to another was sent and received for some other purpose than its collection, the employment to collect, although not expressed in words, will be presumed from the fact that the bank receiving the paper had a correspondent at the place of payment, while the bank sending the paper did not, where the previous course of business between the two banks tends to confirm the inference.

That one bank transmitted drafts to another in the usual course of business, and that the latter mailed it to a correspondent at the place where it was payable, imports, in the absence of any special agreement, an undertaking to perform the ordinary duty of collecting the paper and accounting for the proceeds, if paid, and if not paid to return the drafts unimpaired as to the liability of all the parties.

A bank which is the collecting agent of another does not cease to be such because it is the drawee upon which the drafts forwarded to it for collection are drawn.

In an action to recover damages for the failure of a bank to collect drafts or to take steps to charge the indorser thereon, it will be presumed, in the absence of proof to the contrary, that the indorser was solvent.

It is the duty of a bank with which paper is left for collection to send it forward, make proper demand of payment and receive and account for the money or take the proper steps to charge the indorser.

On August 29, 1895, the defendant received by mail from the plaintiff a sight draft or check drawn by one Watson two days before upon the Kearney National Bank of Kearney, Nebraska, payable to the order of and indorsed by one Lydia A. Scott, for $3,500. On the next day it received in the same way another draft or check drawn two days before by the same party upon the same bank to the order of and indorsed by the same payee for $2,500. This paper was sent to the defendant, as is claimed, for collection, and was mailed by the defendant on the day of its receipt to the Nebraska bank upon which it was drawn. Nothing was heard from it until September 13, 1895, when the defendant received two drafts for the same drawn upon itself by the Nebraska bank. The defendant protested these two drafts on the ground that it had no funds of the drawer to pay them, and then forwarded the protested drafts to the plaintiff in discharge of whatever duties it assumed concerning the collection of the drafts originally delivered to it, but the plaintiff refused to receive them and returned them to the defendant. In the meantime the Nebraska bank had failed and suspended payment of all its obligations, including of course the two drafts upon the defendant, and being insolvent passed into the hands of a Receiver. The two Watson drafts sent to the defendant by the plaintiff for collection were never returned and were never protested, so that it is claimed that the payee and indorser were discharged.

O'Brien, *J.:* The plaintiff's cause of action rests upon the claim that the defendant never collected the paper sent to it for collection and never returned it or fixed the liability of the indorser by protest.

The questions in this case are to be determined largely, if not entirely, upon legal presumptions. In the various and complicated transactions of banks in dealing with commercial paper with each other or with individuals, certain acts or things which may transpire have a certain legal significance which courts are bound to declare in the absence of proof that such acts indicate something else.

The defense to this action consisted principally in an attempt to show that certain facts are to be given only a limited effect or a peculiar and exceptional character without any proof to show that such was the agreement or intention of the parties, or that they are to be held to mean something different from their ordinary legal import. For instance, it is asserted without any distinct proof that the plaintiff was not the owner of the paper, but it alleged that it was and having the possession of it transmitted it to the defendant, as it claims, for collection.

These facts entitle the plaintiff to be treated in law as the owner. So, also, it is asserted that the defendant was not the plaintiff's collecting agent, but assumed only a limited and special duty, namely, to send the paper to the bank which was the drawee, for the purpose of presentation, all of which the plaintiff could have done itself just as well. But the plaintiff had no correspondent at the place of payment and the defendant had, and hence the act of sending the paper by mail to the defendant, when taken in connection with the previous course of business between the two banks, imports an employment of the defendant by the plaintiff to collect the paper, and should be so understood in the absence of proof that the paper was sent and received for some other purpose. The employment to collect, while not expressed in words, is a legal inference from the previous relations of the parties and the

nature of the business. It was open to the defendant to show that the relations of the parties were in fact otherwise, but until such proof was given the transaction must be given its ordinary legal effect.

In this State a bank receiving commercial paper for collection is, in the absence of some special agreement, liable for a loss occasioned by a default of its correspondents or other agents selected by it to make the collection. Where a sub-agent collects but fails to pay over and becomes insolvent, such insolvency will not shield the collecting agent from liability for the loss. (St. Nicholas Bank vs. State Nat. Bank, 128 N. Y. 26; Briggs vs. Central Nat. Bank, 89 N. Y. 182.) The collecting bank is liable for any neglect of duty occurring in the process of collection, in consequence of which any of the parties to the paper are discharged. (Ayrault vs. Pacific Bank, 47 N. Y. 570.) If the facts of this case bring the defendant within the scope of these decisions, it became liable to the plaintiff, and the judgment must be upheld. The principal defense developed by the learned counsel for the defendant in his argument in this court is that the defendant was not an agent to collect, but merely to forward the drafts to the Nebraska bank upon which they were drawn, and that having promptly done that it is not liable for any loss that the plaintiff may have sustained. The answer does aver as matter of fact that it was not such collecting agent, but there was no proof of any special agreement to take the transaction out of the general rule. When it was shown that the plaintiff transmitted the paper to the defendant in the usual course of business and that the latter mailed it to the bank where it was payable these facts *prima facie* import an undertaking on the part of the defendant to perform the ordinary duty of collecting the drafts and accounting to the plaintiff for the proceeds if they were paid, and if not paid the return of the draft unimpaired as to the liability of all the parties. If there was any special agreement express or implied which relieved the defendant from any of these duties which grew out of the nature of the transaction, it assumed the burden of proof in that respect, and as already stated it gave no proof of any such fact. The legal character of the transaction, in the absence of such proof, must, therefore, be held to be the ordinary case of one bank undertaking to collect paper sent to it by another bank. The complaint distinctly alleges that such was the transaction and such the purpose for which the defendant received the paper, and the learned counsel for the plaintiff contends that there is no distinct denial of this allegation in the answer. The answer is not very distinct on that point when read as a whole, but no such objection was made at the trial, and we should now assume that the answer in that respect was sufficient, but there was no proof to show that the transaction was other than the ordinary one or that there was any special agreement limiting or reducing the defendant's liability to that of a mere forwarding agent.

But the learned counsel for the defendant further contends as matter of law that since the defendant sent the drafts to the bank where they were payable and upon which they were drawn, the drawee did not become the agent of the defendant. It is said that the case of Indig vs. National City Bank (80 N. Y. 100) sustains this proposition, but it does not seem to us that it does. With respect to that case generally it may be said, as it has been said before by this court in the St. Nicholas Bank Case (*supra*), that it was a border case the doctrine of which was not to be extended, and, indeed, it has been already explained and limited in Briggs vs. Central Nat. Bank (89 N. Y. 182).

But no one will claim that it is not competent for the collecting bank to make the drawee bank in such a case its agent in the same way as if the paper was payable at some other place. If it had been shown in that case, as it was in this, that for several years before the transaction the drawee bank had been the collecting agent of the bank transmitting the paper, doubtless it would have been held that the relation of agency existed between the two banks. The court was careful in that case to emphasize the fact that there was no indorser on the paper, and that all that was to be done was to demand payment. In the case at bar there was an indorser who had been discharged, and the consequence is that *prima facie* the plaintiff has been damaged in a sum equal to the face of the paper (Potter vs. Merchants' Bank, 28 N. Y. 641), so that the distinction between that case and this is to be found in the wide difference in the facts. Moreover, the Indig Case does not really decide any such proposition as is claimed. It will be seen from the report that three members of the court concurred in the proposition now asserted. Three other members dissented entirely, and the chief judge concurred with the three first mentioned on the question of damages, and this resulted in the reversal of the judgment below. Hence it is very obvious that the only question decided in that case was the point presented in the opinion relating to the question of damages.

The drafts in question do not seem to have been produced at the trial, but since they had been delivered to the defendant it was bound to produce them if either their form or contents were material, or to account for their absence in some way. It is suggested that the payee may have been insolvent or may not have actually indorsed the paper, or if she did, it may have been without recourse or without waiver of protest. It was open to the defendant under the answer to show that the payee and indorser were insolvent and that the plaintiff was, therefore, not damaged by the failure to protest the paper. That was matter of defense, but no proof was given upon that point, and in the absence of such proof the presumption is that the indorser was solvent. The admissions in the pleadings and the general course of the trial have settled for this court the other hypothetical defenses referred to. No such suggestions were made at the trial nor was any point raised that the evidence was in these respects defective. After judgment this court must presume that the paper was regularly indorsed by the payee without any special restriction. The defendant cannot urge such defenses now after remaining silent at the trial. When commercial paper is sent forward by a bank to the place of payment the presumption is that it is in such condition as to authorize a demand of payment and the surrender of the same to the proper party upon payment being made. The legal effect of the plaintiff's proof was to cast upon the defendant the duty of sending forward the drafts for collection, to make proper demand of payment, to receive and account for the money received in payment, and to take proper steps to charge the indorser if the paper was not honored, and since the defendant failed to account for the proceeds or to return the paper, it was liable to the owner.

This view of the case would entitle the plaintiff to an affirmance of the judgment, but there is another view that tends to strengthen this position. Of course, if the drawer had funds in the hands of the drawee, the Nebraska bank, or if the paper was paid at that bank, which was the sub-agent of the defendant, the latter would be liable to the plaintiff, notwithstanding the

failure of its western correspondent. We have the two facts that the latter never protested the paper, but, before it closed its doors, transmitted its own drafts upon the defendant in payment of the paper sent for collection. It is a reasonable presumption under such circumstances that the paper was honored and paid. So, also, if the drawee bank in Nebraska had sufficient funds with the defendant to pay the two drafts which it drew upon it in the regular course of business in order to account for the collection, then the defendant should have honored the drafts instead of protesting them and transmitting them to the plaintiff in discharge of the obligation which it assumed when it undertook the collection of the original paper.

It was shown that some six weeks before the drafts were drawn upon the defendant by its sub-agent, the Nebraska bank, the latter had on deposit with the defendant at least $40,000, and there was no proof given to show what had become of it. We do not mean to say that this was even *prima facie* proof that the defendant had funds to honor the drafts drawn upon it by its western correspondent when they were received, although it did honor all such drafts up to the day before; but the whole transaction shows or tends to show that the paper transmitted by the defendant to the Nebraska bank was paid in some way, and that the latter, supposing it had funds with the defendant sufficient for that purpose, drew upon it in order to account for the money represented by the paper sent to it for collection. While these facts of themselves might not constitute, as matter of law, a ground of legal liability, they tend strongly to support the legal inferences as to the nature of the transaction as creating an obligation to collect the paper and the defendant's failure to discharge that obligation. In whatever way the transaction is viewed it is impossible to avoid the conclusion that the delivery of the paper by the plaintiff to the defendant for collection imposed upon the latter obligations and duties that it has failed to discharge. It neither collected the paper nor procured it to be protested in order to save the liability of the indorser.

The exceptions taken at the trial and to the charge presented by the record involve no question of law pertinent to the controversy, and the judgment should, therefore, be affirmed, with costs.

PARKER, *Ch. J.*, Gray, Bartlett, Martin, Vann and Cullen, *JJ.*, concur.

Judgment affirmed.

CONDENSED LEGAL DECISIONS.

ABSOLUTE DEED—DURESS—PLEADING—EVIDENCE.

A deed absolute in form will be treated as a mortgage when it is given to secure payment of a debt, although the parties may have agreed that upon default of payment the deed should become absolute.

One S had conveyed by a warranty deed absolute in form to a bank certain real estate as security for an indebtedness owing by S to the bank. S was in financial distress, and had no means of meeting his indebtedness save by a sale of the real estate. The bank thereafter assumed to be the absolute owner of the property, and denied to S any right, interest, or equity therein, and by injunction proceedings undertook to dispossess him of a portion of

such land. S procured a purchaser at an advantageous price, and endeavored to adjust his differences with the bank, so as to effectuate a sale of the property and meet pressing demands against him. The bank refused to consent to a sale or release its interest or reconvey the premises to S, so that a sale might be consummated without the payment by S of a large sum of money in excess of the amount justly due. *Held*, under the facts and circumstances as disclosed by the record, that the payment of the excess over and above the amount justly due was made under duress and compulsion, and might be recovered back in an action brought for that purpose.

At the time of making the arrangements for the payment of the sum demanded, a written agreement was entered into in the nature of a compromise or settlement of the differences existing between the parties, which was accepted and acquiesced in by S so as to regain control of the land, be able to effectuate a sale of the property, and extricate himself from his financial difficulties. *Held*, that the jury was justified, under the evidence, in finding that the agreement was vitiated, because of duress, for the same reason and to the same extent as the overpayment was the result of legal duress.

First Nat. Bank of David City vs. Sargent, 91 N. W. Rep. (Neb.) 595.

GARNISHMENT—CLAIM BY THIRD PARTY—NOTICE—BANK DEPOSIT—PRESUMPTION OF OWNERSHIP—MARKING OF INSTRUCTIONS—REVERSIBLE ERROR.

In an action against a bank, for money claimed by plaintiff to have been deposited by her husband for her benefit, a defense that the money was paid to a justice of the peace in garnishment proceedings in an action against the husband was not good, where no judgment in garnishment was rendered, or consent of the owner to such payment obtained.

The fact that money is deposited in a bank to the individual credit of the depositor shows, *prima facie*, that it belonged to him, but not conclusively so.

Where a bank had been notified after garnishment that the moneys belonged to a third party, and failed to aver such notice in its answer, a subsequent payment of the fund to the justice is no defense in an action by the third party.

Bessemer Sav. Bank vs. Anderson, 32 So. Rep. (Ala.) 716.

HUSBAND AND WIFE—PERSONAL LIABILITY OF WIFE AS SURETY—MORTGAGE BY WIFE TO INDEMNIFY HUSBAND'S SURETY—CREDITOR'S RIGHT TO BE SUBSTITUTED—POWER OF NATIONAL BANK TO ENFORCE MORTGAGE ON LAND—PLEDGE OF PROPERTY BY WIFE TO SECURE HUSBAND'S DEBT—NOVATION—PLACING NOTE ON FOOTING OF BILL OF EXCHANGE—STATUTE OF LIMITATIONS.

A married woman incurred no personal liability by signing her husband's note as surety.

Where a mortgage executed by a wife to her husband's surety does not recite merely that it is intended to indemnify the surety, but recites that it is intended to secure the debt, the creditor is entitled to be substituted to the rights of the surety, though the surety has become bankrupt, and is thereby released from the debt.

Proof that such a mortgage was only intended to indemnify the surety is insufficient to overcome the language of the instrument itself.

Though a National bank is not authorized to take mortgages upon real estate, it may be substituted to the rights of a surety who has taken such a mortgage.

Where a wife executes a mortgage on her property to secure the debt of her husband, she does not stand as his surety, and her property is not released by a novation that would release a mere surety.

To place a note upon the footing of a bill of exchange it must be not only payable and negotiable at an incorporated bank, but indorsed to, and discounted by, the bank at which it is payable, or by some other incorporated bank.

The five-year statute of limitations has no application to a promissory note, which has not been thus placed upon the footing of a bill of exchange.

Magoffin vs. Boyle Nat. Bank of Danville, 69 S. W. Rep. (Ky.) 702.

NOTE—EXECUTION—JOINT AND SEVERAL CHARACTER—SIGNATURE ON BACK—EFFECT—JOINT AND SEVERAL OBLIGORS—UNSATISFIED JUDGMENT—EFFECT AS BAR.

A promissory note executed by two persons, one signing at the bottom of the note, and the other upon the back thereof, the latter not being the payee, and which is written "I promise to pay," is a joint and several note; and the person whose name appears upon the back of the note is, according to the facts connected with his understanding, liable thereon either in the capacity of a co-principal or in that of a surety.

A judgment against one of two joint and several obligors, which has never been satisfied, is no bar to a suit against the other.

Booth vs. Huff, 42 S. E. Rep. (Ga.) 381.

NEGOTIABLE BONDS—DEFENSES—RIGHTS OF PURCHASER FROM BONA-FIDE HOLDER—PURCHASE AFTER DEFAULT IN PAYMENT OF INTEREST—RAILROAD BONDS—ENFORCEMENT AGAINST SINKING FUND IN HANDS OF TRUSTEE—RAILROADS—DISTRIBUTION OF ASSETS IN INSOLVENCY—TRUST FUND.

A purchaser of outstanding negotiable bonds, from one who was a *bona-fide* holder for value before maturity without notice of an infirmity therein, takes all the rights of the seller, although the second purchaser may have had notice of such infirmity when he bought; and it is immaterial that he purchased after maturity.

Negotiable bonds are not dishonored, so as to affect the equities of a purchaser, because at the time of his purchase he had knowledge that there had been default in the payment of interest thereon.

The question whether or not a guaranty of the bonds of one railroad company by another was *ultra vires* is immaterial, in a proceeding by a holder to enforce payment of such bonds from a sinking fund which the company issuing them had paid into the hands of the guarantor as trustee for their redemption at maturity; nor is it any defense to such proceeding that the guarantor was without legal power to undertake the duties of trustee.

A railroad company guaranteed the second mortgage bonds of another company, which it controlled, and required the latter to deposit with it as trustee a certain sum each year to create a sinking fund for the payment of the bonds at maturity. Both companies became insolvent, and their prop-

erty was sold under decrees of foreclosure. A certain part of the guarantor's property, which was not covered by mortgage, was sold separately, and the proceeds were set aside by the court as a fund for unsecured creditors, who were directed to prove their claims before the master. *Held*, that holders of unpaid guaranteed bonds were entitled in equity to have so much of such proceeds as equaled the accumulated sinking fund treated as a trust fund and applied to the payment of their bonds, as against the holders of deficiency judgments taken in the foreclosure suits against the guarantor.

Central R. and Banking Co. of Georgia vs. Farmers' Loan and Trust Co. 116 Fed. Rep. (U. S.) 700.

PUBLIC OFFICERS—BONDS—SURETIES-CONTRIBUTION—PLEADING—TIME OF DEFAULT—DEFENSE—CONTRIBUTION FOR COSTS—STATUTORY BONDS—DISMISSAL.

A bill for contribution by a surety on the bond of a public officer, against the sureties on other bonds given April 10, alleging that the officer defaulted on July 12, was not demurrable for failure to allege that the officer had converted money subsequent to April 10, but, if the default occurred before the execution of defendant's bond, that was matter of defense only.

Where a surety on the bond of a public officer has been held liable thereon, his right to contribution from the sureties on other bonds is not limited to the actual default of the officer, to the exclusion of costs of defending the suit on the bond; the defense not being frivolous or unnecessary.

Where a surety on the bond of a public officer had been held liable in a suit on the bond, and sued the sureties on another bond for contribution, alleging that such other bond was required by statute, and that the bond was acted under by the officer, a demurrer on the ground that it was not a statutory bond was without merit, under Code, Sec. 3089, declaring that whenever any officer required by law to give an official bond acts under a bond which is not in the penalty payable, and conditioned, or without sureties of requisite qualifications as prescribed by law, such bond is valid and binding on the obligor.

Where the surety on the bond of a public officer was held liable thereon, and brought suit against the sureties on other bonds for contribution, and a part of such sureties paid defendant their proportion, a dismissal as to them could not be objected to by other defendants, as their liability was not thereby increased.

Carter vs. Fidelity and Deposit Co. of Maryland, 32 So. Rep. (Ala.) 632.

SAVINGS BANK—BY-LAWS-LOST BOOK—PAYMENT BY CHECK—FORGED ORDER—EVIDENCE—CONTRACTS.

If a comparison by the officers of a Savings bank of the signature of the person falsely presenting a deposit book with the genuine one of the depositor on file would be sufficient to prevent fraudulent imposition, then payment to an impostor without such comparison, and without requiring any proof of the identity of the person demanding payment, other than the possession of the bankbook, is no defense to an action by a depositor against the bank to recover his deposit.

A by-law governing the relations of a Savings bank with its depositors which states as the reason for its existence that "the officers of the institution

may be unable to identify every depositor transacting business at the bank," is not applicable to cases where the officers would be able to protect the interests of the depositor with the exercise of reasonable diligence.

The adoption of rules, regulations and conditions which affect the contractual relations between a Savings bank and its depositors may be shown by their long use, with the knowledge and approval of the trustees, as well as by record of a formal vote.

The signature of a depositor thereto is not the only way to show his agreement to be bound by the rules and regulations of a Savings bank. The agreement may be evidenced by his conduct.

The negligence of a depositor in a Savings bank in losing his book does not excuse the officers of the bank from the exercise of reasonable care in taking precautions to prevent payment to an impostor. This is true, notwithstanding the existence of a by-law in effect requiring immediate notice to the bank by the depositor of the loss of his book.

Payment by a Savings bank to an impostor in the form of a check on a commercial or National bank payable to the order of the real depositor does not exempt the Savings bank from liability to the true owner of the deposit.

As to forged orders, *held* that, under a by-law providing in effect that money may be withdrawn by the depositor or by any other person duly authorized to receive it, the officers of the bank must decide upon the genuineness of the authority presented, at their peril.

Ladd vs. Augusta Sav. Bank, 52 At. Rep. (Me.) 1012.

SAVINGS BANK DEPOSIT—LOST BOOK—NOTICE—NEGLIGENCE—FORGED ORDER—BY-LAWS—CONTRACTS.

The contract between a Savings bank and its depositors, in the absence of any by-law or regulation limiting the bank's liability, is the ordinary one of the debtor and creditor.

Where payments are made by the officers of a Savings bank on orders purporting to be signed by a depositor, but in fact forgeries, accompanied by the deposit book, of the loss of which the bank has not been notified, no question of negligence, either of the depositor or the bank, is involved in a suit by the depositor to recover his money, in the absence of any regulation requiring notice of the loss of the book.

Ladd vs. Androscoggin County Sav. Bank, 52 At. Rep. (Me.) 1016.

SAVINGS BANK—RECOVERY OF DEPOSIT—EVIDENCE—DEMAND—WAIVER.

A pass book given to a depositor in a Savings bank, the entries in which are shown to have been made by an officer of the bank, is admissible in evidence against the bank, and is *prima facie* evidence that the bank is indebted to the depositor for the balance shown by the book.

When the depositor is a non-resident, and places the collection of her account in the hands of an attorney, who presents the pass book, and demands of the bank's officers the payment of the balance shown therein, the rules of the bank allowing it to pay out deposits to any one holding the pass book, and the officers inform the attorney that they will not pay the interest claimed, but will look into the question of paying the principal, in a suit against the bank it cannot set up as a defense that the attorney has not complied with

the by-laws by showing written authority from his client to collect what was due her. This objection, not having been made at the time of the demand, was waived. (See Fenn vs. Ware, 28 S. E. 238, 100 Ga. 563, and authorities cited.)

Atlanta Trust and Banking Co. vs. Close, 42 S. E. Rep. (Ga.) 265.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B. A., LL. B.; Barrister, Toronto.]

MUNICIPAL DEBENTURES — CONDITIONS PRECEDENT TO EXERCISE OF POWER—DUTY OF PURCHASER TO ENQUIRE AS TO CONDITIONS PRECEDENT.

HART vs. CITY OF HALIFAX (Nova Scotia Reports, Vol. 35, page 1).

STATEMENT OF FACTS: The City of Halifax was desirous of extending the Freshwater Esplanade, and by an act of the Legislature in 1898 was authorized to issue debentures for that purpose. On the suggestion of the city treasurer the sum required was included with other sums to be borrowed, and debentures for the whole sum of $114,840 were issued and sold to Jarvis & Co., of Toronto. The debentures were payable to bearer and bore on their face a reference to the acts of the Legislature authorizing their issue. The act of 1898 with reference to the esplanade debentures authorized their issue "provided the owners of the property in front of the contemplated extension give and convey to the city the necessary land required for the said extension." At the time the debentures were issued the property owners had not given, and are not now likely to give and convey, the necessary land to the city; that is to say, the city had issued these debentures and borrowed money on them without complying with the conditions on which their authority rested. Interest on these debentures was included in the rate, and the plaintiff applied to have the rate quashed notwithstanding the debentures were held by *bona fide* purchasers. The trial judge held that as the debentures were now in the hands of *bona fide* purchasers they could not be declared invalid.

JUDGMENT (in the Supreme Court, McDonald, *C.J.*, Townsend and Meagher, *JJ.*): The sole question we have to determine is whether the city had power, under the above statute, to borrow in the absence of compliance with the requirement. We do not know whether any inquiry was or was not made by the purchaser of these debentures. If the purchaser examined the statute—and so much he was bound to do—he would have been made aware of the limitation upon the power of the city to borrow this sum, and an enquiry of the city officials would have led to a knowledge of the fact that the terms of the statute had not been complied with. If he has abstained from taking these steps he has not much to complain of if they are invalid. It was apparently not disputed below that the acquiring of the land was a condition precedent. The city possessed no power to borrow this sum outside of the section above quoted. That position was conceded; indeed, it could not be disputed. In order to make debentures available against the corporate property they must be made within the borrowing powers of the city. Good faith is not to be taken into consideration where the question is one of power. No formality of execution or completeness of recital, it has

been well said, can give validity to an act which the corporation had no power to do. If the power to issue does not exist they are void, no matter who may be the holder. The authority to make this issue must exist before any protection as an innocent purchaser can be claimed by the holder.

It will be found that most of the decided cases have relation to an irregular or defective executing power which existed in fact. Mere irregularities in the steps which led to an issue will not affect the debentures in the hands of the persons who purchased without notice, provided the power to issue existed in fact.

There are two classes of decisions: (1) where the power only comes into force or being upon the performance of a condition precedent; (2) where the power existed in fact but the mode or manner or time of its exercise was subject to some condition. They are governed by different principles and care must be taken to discriminate between them. Sir F. Pollock in the "Law Quarterly," says: "There is a very important distinction between cases of disability on the part of a company to do an act and informalities in the doing of it, and it is very necessary to draw the dividing line clearly, because a case like Duck vs. Tower Galvanizing Co. (1901, II K. B. 314) is calculated to encourage the idea that provided a person takes a debenture from a company, *bona fide*, believing it to be all right, he is entitled to hold it not only against the company but against competing creditors. For all the debenture holder could tell, the debentures on the face of them might have been issued with a due regard to all proper formalities. If in fact they had not been he was not concerned with the irregularities of the internal management. But it will not do for persons to go away with the idea that they can safely lend money to a company without seeing that the directors have power to borrow or, if the power is subject to conditions, that the conditions have been fulfilled. *Bona fides* is not enough."

In the present case there is nothing on the face of the debentures nor in any of the proceedings of the council to convey any intimation whatever that the condition, subject to the performance of which the power was only to be exercised, had been performed. The mere fact of issue may perhaps be adapted to convey an intimation to the buyer that they were issued in conformity with the law. But when a question of power arises the buyer is put upon enquiry; he has a protection so far as the existence of the power is concerned. If it were not so there would be no restraint upon the city and no limit to the amount the rate-payers might be made liable for, once the securities reached the hands of a purchaser without actual notice. The issue in question was not an irregular or merely defective execution of a power, but a total want of it. The power to borrow was given to be exercised, not when the council deemed proper, nor upon its assertion that the condition had been performed, nor upon its opinion of that fact, but upon the actual accomplishment of the fact upon the existence of which the power to borrow was to come into existence and was in the very words of the act made dependent. This view alone takes this case out of the category of the principal American cases relied on by the city.

In the list of proposed loans submitted by the treasurer to the council and upon and for which this issue was made, the loan for the esplanade stands seventh in order. Without at all attempting to decide the question, it would seem to be fair, after applying the issue so far as necessary to cover the six

preceding items, to regard the bonds next in number of the issue, and to an extent sufficient in number to cover the esplanade loan as invalid and the rest valid. The result of a decision holding these bonds illegal may produce some confusion in civic affairs and possibly occasion hardship to the holders; but we have nothing to do with that. There need never be any difficulty in ascertaining the city's power to make any given issue of bonds nor whether antecedent conditions have been complied with.

The appeal must be allowed, with costs, and the rate quashed so far as it is increased by the illegal issue of the debentures.

BANK—PRIVILEGE—PRE-EXISTING DEBT—PRODUCT OF THE FOREST—MANUFACTURED WOOD—BANK ACT, SECTIONS 74, 75, 76, 77.

MOLSONS BANK vs. BAUDRY (Quebec Reports, II King's Bench, p. 212).

STATEMENT OF FACTS: One Bulmer carried on a general lumber business in the City of Montreal, supplying sawn lumber, sashes, frames, etc., to the building trade. In 1889 he took a lease of the premises occupied by him for seven years and renewed this lease for a further term of five years from May 1, 1896, at a monthly rental of $118.75 with a provision that the current year's rental should at once become due and payable in case the lessee became insolvent. In April, 1900, Bulmer made an assignment for the benefit of creditors and Baudry, the lessor, claimed the sum of $7,627.66 from the curator as a preference claim for rent under the lease. Bulmer had been dealing with the Molsons Bank from whom he had received considerable advances which had become overdue. Subsequent to the renewal of the lease, the bank being anxious to be secured, procured Bulmer to sign new notes in the place of those overdue and at the same time to hypothecate to them the stock in trade on his premises by what is known as "Form C. security," under Sec. 74 of the Bank Act.

After the assignment the curator sold the said stock in trade for $16,257.87 and out of this the Molsons Bank claimed to be paid the sum of $10,110.18 in preference to all other creditors. The curator settled the bank on the list of preferred creditors for the full amount of their claim as a first preference. Baudry brought this action to have this collocation declared illegal and to have it set aside to the extent of $7,627.86, the amount of his claim.

JUDGMENT (Sir A. Lacoste, *C.J.*; Blanchet, Bosse, Hall and Wurtule, *JJ.*): Chartered banks were originally prohibited from lending money on goods, wares or merchandise even as they now are by Sec. 64, leaving out of consideration the exceptions in the following sections:

It was found inexpedient in a new country to continue this prohibition absolutely and so we had the amendments to the banking law which are now incorporated in Sec. 73 of the Bank Act authorizing banks to take warehouse receipts by way of collateral security. But in many cases the persons or firms requiring advances had their goods upon their own premises; especially was this the case with millers, lumbermen and manufacturers, and the fiction of a third person acting as warehouseman and acknowledging that he held for the real owner becoming cumbersome, at the time of the consolidation of banking enactments into the Bank Act, Sec. 74 provided: "The bank may lend money to any person engaged in business as a *wholesale manufacturer* of any goods, wares and merchandise upon the security of the goods, wares and merchandise manufactured by him or procured for such manufacture.

The bank may also lend money to any wholesale purchaser or shipper of products of agriculture, the forest and the mine, or the sea, lakes and rivers, or to any wholesale purchaser or shipper of live stock or dead stock and the products thereof upon the security of such products, or of such live stock or dead stock and the products thereof."

Sec. 75 provides: "The bank shall not acquire or hold any —— security under the next preceding section to secure the payment of any bill, note or debt unless such bill, note or debt is negotiated or contracted at the time of the acquisition thereof by the bank or upon the written promise or agreement that such —— security would be given to the bank; but such bill, note or debt may be renewed or the time for the payment thereof extended without affecting any such security."

On behalf of the contestants it was pointed out that the civil code had always given to a landlord or bailee a preference or lien for the amount of rent due; that Sec. 74 of the Bank Act virtually established in the Province of Quebec chattel mortgages which were contrary to the spirit of the law of that Province, and that being thus a direct interference with the right of the Province to legislate respecting property and civil rights, the section should be confined to the narrowest interpretation. The section authorizes the bank to make advances to *wholesale* purchasers of products of the forest. The security held by the bank does not state whether or not Bulmer was a wholesale dealer, but the evidence shows that the main part of his business was in selling direct to the user. Further, it is clear that the hypothecation does not come within Sec. 75, for the debt to secure which the hypothecation was made was then overdue and the giving of new notes at that time did not make the advance ones contemporaneous with the pledge as required by the section.

Further, the court is of the opinion that the bank was not authorized to make an advance on the security of the class of goods here hypothecated. These were sawn lumber, boards, planks, sashes, etc., and these are not "products of the forest" within Sec. 74. By "products of the forest," in so far as the term is applied to wood, is meant trees and logs, that is to say the primary products of the forest, just as grain and straw are the primary products of the earth. As soon as these products change their form or their nature by the application of human labor, they become the product of the mill or factory. Wheat separated from the straw is still the product of the earth, but when it is ground it becomes the product of the mill and one cannot say that flour is a product of the earth. So planks are the product of sawmills and sashes of the factory. From this it follows that the bank could not take a valid pledge on this class of goods under Sec. 74, and that therefore the curator has been in error in allowing their claim for a preference. We must accordingly dismiss the appeal and confirm the judgment of the court below. Mr. Justice Hall is in accord with the court in the result, but thinks the goods hypothecated are, "products of the forest" under Sec. 74.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

A reasonable charge is made for Special Replies asked for by correspondents—to be sent promptly by mail.

RIGHT TO SUE FOR INSTALLMENTS OF INTEREST.

Editor Bankers' Magazine: JEFFERSON CITY, Mo., October 20, 1902.

SIR: One of our customers holds a note which draws annual interest and which compounds annually. He wishes to know whether he may sue for each annual installment?

H. R. K.

Answer.—He may sue for any installment of interest. Each is a separate obligation, and the fact that it draws interest does not prevent its becoming due when it is promised to be paid.

SUFFICIENCY OF MORTGAGE WHEN WIFE'S NAME DOES NOT APPEAR ON IT.

Editor Bankers' Magazine: BIRMINGHAM, Ala., October 3, 1902.

SIR: Will you please tell me whether a mortgage reciting that the undersigned is justly indebted to mortgagees and to secure the same "has conveyed etc.," concluding, "witness our hands and seals, etc.," and signed by both husband and wife, is good when the wife's name does not appear in the instrument itself? A. C. S.

Answer.—Yes, the wife's signature is sufficient.

ENFORCIBILITY OF CHECK GIVEN FOR INSURANCE PREMIUMS.

Editor Bankers' Magazine: SAN ANTONIO, Tex., October 28, 1902.

SIR: Is a check given by an insured person to the company's agent for the premiums due upon the policies sent by the agent to the company for policies issued to the assured, which were returned to the company for correction and subsequently by it returned to the assured and accepted by him, enforcible against the bank? J. W. M.

Answer.—Yes, the check is enforcible. It is given for a valuable consideration.

WHETHER NOTICE OF CHECK'S DISHONOR WAS TIMELY.

Editor Bankers' Magazine: WILLOW, Kans., October 4, 1902.

SIR: When a check is drawn on a bank not located at the place of indorsement by the first indorsee, who delivered it to the second, who indorsed and delivered it to the bank at the place of transfer, which bank indorsed and transmitted it for collection to another place, the bank at which presented it for payment and protested it the next day after its receipt, the payer being notified the fifth day after dishonor, is the notice in time? CASHIER.

Answer.—Yes. The notice is in sufficient time to hold the payer and make him liable to the first indorsee.

RIGHT OF HOLDER TO SUE ON A CHECK.

Editor Bankers' Magazine: OMAHA, Neb., October 21, 1902.

SIR: Is a bank liable to the drawer or holder of a check when it refuses payment to him? J. M. R.

Answer.—Yes. If the check is drawn on funds it is an appropriation of them and the bank cannot escape liability. The holder may sue it when the funds have not been drawn prior to presentation of the check.

LIABILITY FOR INTEREST ON A DEMAND NOTE.

Editor Bankers' Magazine: MACON, Ga., October 21, 1902.

SIR: The holder of a demand note has never made any demand for payment, but the maker has frequently promised to pay it at a certain definite time without any request on

the part of the holder but with his assent. The question is, can the holder of the note recover interest, and from what time? C. E. K.

Answer.—The holder can recover interest from the date at which the first definite promise, named as the time payment should be made. The reason why interest is not ordinarily recoverable on demand notes until demand is because they are not due until that time, and the maker is not in default in payment until then and is not liable for interest until he is in default.

RIGHT TO INTEREST ON PART OF PROMISED LOAN WHICH IS WITHHELD.

Editor Bankers' Magazine: LYNN, Mass., October 27, 1902.

SIR: We agreed to loan a man here some money to enable him to build and complete a house by a certain date. After part of the sum had been advanced a mortgage was taken to secure it and the balance of the loan which was to be paid over when the building was completed. If the building was not finished by a certain time we were to have the right to complete it. The building was not completed within the time fixed, but the contractor claims the balance of the promised loan. We insist, however, upon the payment of interest by him from the time the building was to have been completed. What are our rights? J. R. T.

Answer.—Unless you tendered and set apart the balance of the loan for the borrower (and we infer you did not) you are only entitled to interest from the time the money was actually paid over.

INTEREST ON STOCK SUBSCRIPTION NOTE.

Editor Bankers' Magazine: TACOMA, Wash., October 29, 1902.

SIR: Some time ago I subscribed to the stock of a land company here and gave my note for the amount subscribed. The note did not bear interest and there was no agreement for interest. Since then a year or more has elapsed without any call or request for payment. Now the whole amount of the note has been called and interest is asked from its date. Is it recoverable? Am I liable for such interest? K. T. J.

Answer.—You are not liable for any interest under the circumstances which you name unless the note was due before the demand of which you speak was made. If so you may be liable for interest from the time the note became due.

RIGHT TO INTEREST WHEN DEED HAS BEEN REFUSED FOR DEFECT IN TITLE.

Editor Bankers' Magazine: MEDINA, N. Y., October 3, 1902.

SIR: My brother sold a piece of land near here upon a contract. When the first payment came due it was refused because the records showed an undischarged mortgage on the property. Matters ran along thus until the balance was due and my brother made out the deed and offered it to his purchaser, but it and payment were refused for the same reason that the other payment was. My brother then investigated the matter at the recorder's office and found that a discharge of the mortgage had been left for record but never recorded. The purchaser then accepted the deed but refused to pay interest on the first payment which was refused. Can interest be recovered? H. W. S.

Answer.—We think not. When payment and the deed are refused by the vendee for an apparent defect in the title, if that appearance has an apparently firm foundation, although in truth there is no foundation, the purchaser is not liable for his refusal in good faith to perform.

WHAT IS DEEMED THE CLOSING OF AN OPEN ACCOUNT TO BASE INTEREST.

Editor Bankers' Magazine: BRIDGEPORT, Conn., October 30, 1902.

SIR: Supposing I ran an account at my tailor's who also rents his rooms in my block. I ceased patronizing him some time ago, but he still continues in my block and owes me rent. I do not ask for interest on what has become due since he did the last work for me but contend that he must pay for what was due for prior rent after crediting the last work. Am I right? INQUIRER.

Answer.—Yes. You may no doubt recover interest on what was due at the time your mutual and open account was closed.

WHETHER A MORTGAGE OR A TRUST WAS INTENDED.

Editor Bankers' Magazine: PORTLAND, Ore., October 24, 1902.

SIR: Not long ago one of our customers, who was also our debtor, on his deathbed executed a deed of some land to one of his relatives. The deed was absolute, but contemporaneously therewith he made a writing in which he said that the deed was made in trust to pay his creditors, naming them. Among those was our bank. He afterwards died solvent. Since then it has been said that our rights could only be protected by proceedings to foreclose that deed as a mortgage. Must we do that? CASHIER.

Answer.—We do not believe your deed would be held to be a mortgage, but consider it absolute. Your proper course, if the grantee or trustee refuses to pay your debt, would probably be by a petition to the court for an order compelling the trustee to act, or for a sale and distribution of the property, or for a substitution of trustees. We cannot advise positively on your statement of the facts, but are inclined to think the transaction exactly what it purported to be, viz., a trust.

VALIDITY OF MORTGAGE BY CORPORATION TO SECURE CORPORATORS' DEBT.

Editor Bankers' Magazine: TOPEKA, Kans., October 4, 1902.

SIR: There is a company in this town in which one man is the principal and almost the exclusive stockholder. Some time ago he contracted a debt upon a purchase for the company and pledged its stock as collateral therefor. Later difficulties thickening about the principal stockholders and the company, creditors became alarmed and asked for better security. In answer to this demand the board of directors of the company voted to pay the individual debt of the principal stockholder with notes of the corporation and to issue therefor notes of the company secured by a mortgage on its stock. This was done, and the question has now arisen whether his mortgage is good. Those opposing it declare that a note and mortgage given by a corporation for a stockholder's debt are bad. How is this? U. G. C.

Answer.—The general rule is undoubtedly as you state it; and under ordinary circumstances, the note and mortgage of a corporation given to pay or secure the debt of a stockholder would be bad; but under the circumstances which you detail we do not think that this rule would apply, and believe that when the almost sole owner of a corporation is relieved of a debt contracted for it, by corporate action, that such action is valid and that a note and mortgage issued under it is not invalid because without consideration or as founded upon no advantage to the company.

MORTGAGE ON BUILDINGS AND MACHINERY.

Editor Bankers' Magazine: SAN FRANCISCO, Cal., October 20, 1902.

SIR: A man here bought a piece of land and built a factory on it to manufacture novelties. He then mortgaged the building and machinery and later when the business did not prove successful sold the land to a third party. The mortgage on the buildings and machinery was recorded before the sale. Now tell me if you please if the mortgage of the buildings, etc., is good against the purchaser of the land? J. H. F.

Answer.—Yes. We believe it to be good. Your California Code provides that any interest in lands which can be sold may be mortgaged; and under that statute it has been held that personal property which has become a part of the realty by attachment to the land may still be mortgaged separately from it. Hence, we conclude, that as the mortgage was recorded before the sale, it takes precedence of it.

REMAINDERMAN'S RIGHT TO MORTGAGE.

Editor Bankers' Magazine: LEXINGTON, Ky., October 28, 1902.

SIR: Some years ago one of the old residents here died leaving a will bestowing some city lots and buildings thereon to one of his sons for life and provided that upon the son's death the proceeds of the sale of this property should be equally divided between his children. One of his sons is well advanced in years and one of his children now wishes to borrow upon

his expectant right in order to establish himself in business. Can he do so? Will his right amount to anything as security. T. R. J.

Answer.—We think that you may safely make the loan upon the share in the remainder as security. The grandchild's right is such an interest in lands as can be mortgaged.

VENDOR'S LIEN ON BANK'S REAL ESTATE.

Editor Bankers' Magazine: MUSKEGON, Mich., October 1, 1902.

SIR: A bank bought a building under contract which secured an unpaid balance of the price. Subsequently the Cashier procured a loan for the bank from the vendor under an agreement that the realty should stand as security. Then by an agreement which was recorded the amount due was stated including the loan and the balance due upon the purchase. The land payments were extended. All these transactions were known and approved of by the bank directors and the Cashier had general authority to procure loans. Later on the bank became insolvent and the question is, is the vendor entitled to a lien for the amount due after the bank's insolvency? E. C. B.

Answer.—Yes, he has such a lien. There is quite a recent decision of your supreme court which holds this substantially.

MERGER OF MORTGAGE INTO CONTRACT.

Editor Bankers' Magazine: WINONA, Minn., October 23, 1902.

SIR: I hold three or four mortgages on land in one of the southwestern counties of this State. During the panic of 1893 the property fell off considerably in value, but sooner than foreclose I made a deal with the mortgagor whereby I purchased the fourth mortgage, conveyed the property to the mortgagor under an agreement that he was to pay a certain sum considerably less than the mortgages, part in five and part in seven years, securing me upon other property also and agreeing to pay interest in monthly installments and in case there should be a default in any of the payments all rights were to cease under the contract. The monthly installments have been paid very irregularly and the first payment on the principal was only partly paid. In reality I have very little more than interest on my money and I now wish to get the property. Have I the right to possession or must I foreclose the instrument as a mortgage? L. J. D.

Answer.—Your contract probably constitutes what we call an equitable mortgage and should be foreclosed as such. We presume that you merely agreed to convey to him. You say you conveyed, but we read it this way, that your agreement was merely intended as security, and therefore the law regards it as a mortgage.

DEPOSIT OF DEEDS AS A MORTGAGE.

Editor Bankers' Magazine: OMAHA, Neb., October 27, 1902.

SIR: How far is the deposit of title deeds good as security for money? Have we a lien on the land because of that deposit? We loaned some money to a party across the line and as security therefor he deposited his title deeds. CASHIER.

Answer.—We do not believe that such a deposit will be available as security on the land unless there is a writing expressing the purpose of the deposit. We think the statute of frauds requiring all land transfers to be written covers that case, and that unless you have a written agreement your security extends no further than the right to hold the deeds until the loan is paid.

MORTGAGE SECURING NOTE OF HUSBAND AND SIGNED BY WIFE AS A JOINT MORTGAGE.

Editor Bankers' Magazine: FRANKFORT, Ky., October 23, 1902.

SIR: When an instrument stating "I hereby mortgage" to secure "one note" concluding "given under my hand" is signed by the husband and wife separately, and the note is that of the husband alone, will the mortgage be considered the joint or the several conveyance of the parties? W. H. A.

Answer.—Such a mortgage will be held to be the joint conveyance of the parties.

RIGHT OF BANK TRUSTEE TO INTEREST AS AGAINST RECEIVER.

Editor Bankers' Magazine: TROY, N. Y., September 24, 1902.

SIR: To compromise a suit by the Receiver of an insolvent bank against its trustees, the trustees agreed with the Receiver to pay him a certain sum as consideration for his delivering to them certain assets of the bank, to be managed and realized on by them and out of the proceeds to reimburse themselves for the amount paid to the Receiver and the expenses of management, and to pay the surplus, if any, to the Receiver. Are the trustees entitled to interest on the sum paid by them to the Receiver? E. J. A.

Answer.—Yes. They are entitled to interest from the time of the payment of such sum, for their right to reimbursement arose at the time the contract was made and not at the time the property was sold.

VALIDITY OF MORTGAGE WITHOUT CONVEYANCE CLAUSE.

Editor Bankers' Magazine: BEATRICE, Neb., September 24, 1902.

SIR: I inclose a copy of a mortgage executed here, which I came across in searching some records the other day. All the mortgages usually executed here contain a clause conveying the property, but this you will observe does not, and I wish to know whether it is good in the absence of such provision? H. C. K.

Answer.—The mortgage is good. In your State a mortgage of land does not convey a title, but is a mere lien, and therefore an instrument properly executed, describing the parties, the land and the debt, and evidencing an intention to charge the debt as a lien upon the land, is sufficient as a mortgage. Words of conveyance, since they do not create anything and have really no effect, are not essential.

NEGOTIATION BY DELIVERY—COUPON BONDS.

Editor Bankers' Magazine: NEW YORK, October 27, 1902.

SIR: According to the Negotiable Instruments Law, a note or draft which has been drawn payable to bearer may be negotiated by delivery and without endorsement, even though it may subsequently be specially endorsed to some person mentioned. Do you understand this principle to apply to the coupon bonds of a railroad or municipal corporation, which are issued payable to bearer? Occasionally the holder of a coupon bearer bond will endorse it in the following manner: "Property of University of Rochester," or "Pay to Tenth National Bank of New York, or order; the Third National Bank, Brooklyn." Are either or both of the bonds thus respectively endorsed still payable to bearer, or if the bonds had been stolen or fraudulently negotiated, would either or both of the institutions mentioned have a valid claim against a subsequent innocent holder, or against the paying agent, after the payment of the bonds at their maturity? GEO. REITH.

Answer.—The provision of the Negotiable Instruments Law, that "where an instrument payable to bearer is indorsed specially, it may nevertheless be further negotiated by delivery" (Sec. 70, N. Y. Statute), is applicable to all classes of negotiable instruments; and if the terms of a railroad or municipal bond are such as to make it negotiable under the act (as is usually the case) the provision applies to it. In the case stated in the inquiry, the bond would continue to be negotiable by delivery. The special indorsement would not change the mode of negotiation, nor impair the title of a subsequent holder, for the statute expressly provides otherwise; and the words "Property of University of Rochester" would not have this effect, for the reason that no indorsement by the University would be necessary to transfer its title, but such title would pass by mere delivery; and any person purchasing the bond would be entitled to presume that there has been a lawful delivery on behalf of the University.

* THE PRACTICAL WORK OF A BANK.

DISCOUNTS, LOANS AND INVESTMENTS.

III.

The first business of a bank is to accumulate funds. The second concern is how to employ them at once profitably and safely.

The capital with which a bank trades is by one authority divided into two parts. The first he calls the fixed capital, which is simply that supplied by the shareholders together with the rest and undivided profits. The second is created by the bank, and consists of the deposits, the notes in circulation and the drawing of bills. As here we are concerned only with the employment of the funds, it is unnecessary to explain the operations which give rise to these. This only need be remarked: the nature of a bank's advances depends upon the class of which its depositors consists.

In an active trading centre a bank is compelled to have its funds in a readily available form. In a community composed of people who are not concerned directly in business and who have comfortable sums of money on deposit, the bank may make advances repayable at much longer periods of time.

Under a system of branch banking such as prevails in Canada, it is not necessary to find in the same community a class of depositors and in a relative degree a class of borrowers. The small savings of the people, which would otherwise remain unproductive and would be hoarded, are placed on deposit with the branch bank. By these the bank is enabled to establish branches and make advances in other places. Thus the rate of interest is made more uniform, to the mutual benefit of borrower and lender.

Knowing the amount of funds at its disposal and having regard to the probable demands of its creditors, the bank is in a position to invest its funds.

By all writers whom the author has consulted and by the practice of his own and other banks in Canada, the preferred investments are those in bills of exchange, or as commonly expressed, commercial paper. These will therefore be considered first.

Advantages of Commercial Paper.

Briefly, the well-known advantages of bills of exchange are: They arise, or should arise, only out of legitimate transactions and in the course of trade, and their time and value are known; for they are not subject to fluctuation in price as are public securities.

Few bankers are careless in estimating the character and worth of the party on whose name the advance is made. This cannot, however, be said as to the caution usually exercised in regard to the secondary parties. It does not appear to be the practice to enquire very closely into the standing of the associates of a "respectable" customer. No matter how "good" a man may be, regard should be had to "the company he keeps." To have implicit confidence in no man should ever be the motto of the banker.

The accounts of the most reliable of the bank's customers require continual probing. Many of the heaviest losses have been made from neglect of this rule. All

* A series of articles to be published in competition for prizes aggregating $1,050, offered by The Bankers' Magazine. Publication of these articles was begun in the July, 1901, number, page 18.

business men may remember cases of people, honest and successful for years, who finally come down with a crash. As is their height, so is their fall. Apart from the watch which should be ceaselessly kept over the old and regular customers' accounts, must be mentioned the necessity to guard against rogues. The tricks of the knave are numerous and so various that it is not my purpose to enumerate any of them here. The banker will do well, however, to keep himself informed as to the frauds that have been committed in the past. From them he may learn his lesson for the future.

When care is exercised as outlined above in regard to dealing with both honest men and rogues, the bank's business in commercial paper is fraught with little danger. With ordinary care none save the misfortunes common to our human plans need occur.

However desirable, good commercial bills are not always to be obtained. It may become necessary for the bank to find other modes of investment for its funds. Recourse may then be had to the practice of discounting accommodation notes secured by some form of collateral security. In dealing with these it is usually conceded that the greatest caution is required. The first point being common with that necessary with bills of exchange—namely, care as to the character and business prospects of the party seeking the advance. In fact, one writer is of opinion that no advances should be made even on the best of collateral unless the party is perfectly good without it. While we may not concur in so sweeping an assertion as this, it deserves consideration, when we have regard to the fact that advances upon some classes of collateral are obtained simply in order to further speculative operations, oftentimes of a precarious nature. The second query is concerned with the value of the security itself. In making advances upon merchandise and shares of companies, it is difficult for the bank to keep fully in touch with all the conditions of the markets. The prices of such are continually fluctuating and in order to keep the proper margin of safety the greatest vigilance is required. In realizing on such securities, should it become necessary, another trouble will arise. The bank will become possessed of a variety of stocks and will have, it may be, considerable worry and trouble to dispose of them. Again, bad feeling will arise between the customer and the bank, as the borrower will not like to see his goods "sacrificed." Ill-feeling of this nature can work the bank no good. The good-will of the community is one of the most important assets of the bank. Anything that will injure this should be persistently avoided. However, the trend of opinion appears to be towards favoring this particular sort of business. The profit is good and loans on stocks can usually be placed with little difficulty. Again, the loans are usually on call, thus providing for the employment of that portion of the funds of which the bank is possessed for short dates only.

Purchase of Public Securities.

Besides the discounting of commercial bills and loans secured by collateral there is a third and entirely different method of employing the funds. This latter is the purchase of Government, municipal and corporation stocks and bonds, or as they are usually termed, public securities. In dealing with these the bank should not buy for the purpose of selling again with a profit. It is prejudicial to the safety of the bank for it to embark in what is a species of commercial venture. Again, if it does invest in these care should be taken that a very conservative estimate of their value is made. They are just as liable to become depressed as to appreciate in value. Banks frequently consider gilt-edged Government bonds as a sort of interest-bearing gold reserve. History, however, disproves their value as an asset in times of stress. When it becomes absolutely necessary to sell them on the open market in order to preserve the solvency of the bank, they are found to have become depreciated in

value. It is a well-known fact that the price of bonds is always highest when money and credit are plentiful. To realize on securities in times of panic that were purchased, it may be at their maximum price, must always entail great loss. Such, at least, is the experience of the authorities whom the author has consulted. This being so, implicit faith must not be reposed in such by those who hold them for this purpose. The only true reserve is that held in the coffers of the bank. Some investment in bonds is most certainly desirable, but it should be out of what may be considered the permanent funds. Such funds as the bank might employ in loans on real estate. If these securities are dealt with in this manner it is unlikely that the bank will ever be forced to slaughter its assets in a panic.

Practical Application of the Foregoing Suggestions.

The foregoing is a treatise on the principal methods of employing the funds. As to their practical application, much might be said. Experience is, however, the most valuable asset of the banker. By it will the bank be guided in its choice of investments. Safety must never be sacrificed to profit. Some method of fixing the experience of a bank in its dealings with its customers is essential.

It will therefore be in order to make some suggestions regarding a practical system of recording the knowledge acquired of the character and worth of the customers.

In England it is the custom of some of the large banks to have what is known as an intelligence department. In this a record is kept of the character and history of each of its customers and of such other persons as it may consider advisable. A record is made of any dishonored bills and the reason for such dishonor.

In the Canadian banks with which the writer is familiar no such custom prevails. All that is done in this way is that the managers of the banks keep what is known as a character book. In this is to be found such information relating to the estate and character of each party as can be obtained. When it becomes necessary to obtain information recourse is had to the mercantile agents, and if the party resides in another town, to some other bank. It is customary to require men seeking accommodation to sign a statement of their affairs, giving the particulars of all property owned and the incumbrances, if any, thereon. As much information as can be gleaned from what the bank sees of business paper passing through the office is also noted. From the various sources considerable valuable information is obtained by the bank managers, permitting of an estimate of the amount for which each party is good.

The sources of information are thus, briefly, the mercantile agents, the reputation of the party among his associates, the information obtained from the office, and the statement of the party himself. It is my purpose to offer a few remarks on each.

Weighing the Value of Information.

The mercantile agencies send periodically representatives who inquire as to the local standing of the men in business. The experience of the writer is that though their estimates are in the main fairly correct and reliable, still they have access to no information of which the bank is unable to obtain possession. Again, they are in the town for a short time only and are not in a position to judge for themselves. They must take the opinion of perhaps one man who may be interested or on the other hand prejudiced in the matter. This being so, the value of the agencies for estimating the credit of the bank's own customers is exceedingly limited. For parties at a distance and with whom the bank has few dealings they are, however, very valuable as a ready resource.

Judgment must be exercised in receiving information from mutual friends. Regard for the credit of a friend may make the informant's testimony of less value. Again, he may underestimate the worth of the party for fear of inducing the bank

to make an advance which might turn out undesirable. If care is taken in receiving such information it is probably the most important of all.

What a bank sees of its customer's business is often of the greatest import. A check or a bill frequently gives absolutely reliable information. Some men seem to think a banker cannot put two and two together. As an instance of this the writer had a case come under his notice as follows: A customer wished to obtain an advance. He gave his statement, and showed a considerable surplus. It occurred to the banker to compare the amount which he claimed to owe on bills of exchange with the total held in the wallet for collection. It was found he had underestimated these by a large amount. So large indeed that the credit was refused. In a few months the party made an assignment. This was information that could have been obtained from no other source.

The custom of obtaining a customer's own statement over his signature is very important, as a fraud in this respect is a criminal offence. Some banks make it a practice to verify as far as possible the information thus given. Others seem to go it blind and to believe everything. An allowance should be made for the fact that a man is not likely to err by undervaluing his assets. A few prosecutions for fraud would be very salutary in their effect.

The character book should contain a short summary of information gleaned from the various sources enumerated above. One writer has given some of the methods n which a card index can be used. I think that here it would be of the greatest use. In indexing the character book and in giving references to the sources of information at hand it would be invaluable. At a glance the banker would have under his eye everything relating to the party in his possession.

It is not advisable to keep the books in a place where the customer will have to tand and look on while the banker is examining his pedigree. It is business-like to have such books, but it is not polite to make a show of them. Some bankers seem to think that it is necessary to put a man in a sweat-box when he is applying for an advance. Everything must be done in a business-like but in a gentlemanly manner.

Modern banking has become a science. The men in control of financial institutions to-day need to study. This can be confined no longer to the practical needs of business. A large range of knowledge of men and affairs is necessary. The political and industrial conditions of the whole country must be thoroughly studied. Nay, more, it is necessary to try and learn something of the countries which are most closely connected with the banker's own land. The interests of the community are his concern. The losses may work ruin to the bank. The gains are sure to bring success. A ready sympathy and a close tongue are invaluable. The bank manager should be a sort of financial priest—one to whom men will turn when in trouble and will be certain of help and support. The banker striving thus will build up a valuable business connection and always find safe and profitable employment for the funds of the bank.

EVELYN.

AMERICA VERSUS THE WORLD.—America now makes more steel than all the rest of the world. In iron and coal her production is the greatest, as it is in textiles—cotton, wool and silk. She produces three-fourths of the cotton grown in the world. The value of her manufactures is just about three times that of Great Britain; her exports are greater. The clearing-house exchanges of New York are almost double those of London. She furnishes Great Britain with most of the necessary food products imported. She has two-fifths of the railway mileage of the world. Thus she has become the foremost nation in wealth, manufactures and commerce, and promises soon, in some branches, to occupy the position which Britain occupied when it was Britain *versus* the world. She already does this with steel. Although no Briton can be expected to see with satisfaction his country displaced from first place, there is yet cause for rejoicing that supremacy remains in the family. It is not altogether lost what the race still holds. Macbeth's fate is not Britain's. The scepter of material supremacy has been wrenched by no unlineal hand. It is her eldest son, the rightful heir, who wears the crown, and he can never forget, nor cease to be proud of, the mother to whom he owes so much.—*Andrew Carnegie in The World's Work.*

NEW YORK STATE BANKERS' ASSOCIATION.

NINTH ANNUAL CONVENTION, HELD AT NEW YORK, OCTOBER 9 AND 10, 1902.

The ninth annual convention of the New York State Bankers' Association met at the clearing-house, in New York, on Thursday, October 9, President Arthur D. Bissell, of Buffalo, in the chair.

The proceedings were opened with prayer by the Rev. Dr. McKaye, after which the president delivered his annual address, as follows:

Annual Address of President A. D. Bissell.

Members of the New York State Bankers' Association, Gentlemen—It was unanimously voted at the convention last year to accept the invitation extended by the bankers of New York city to hold the ninth annual convention of the New York State Bankers' Association in this city in October, 1902. Consequently, we are assembled here this morning to transact the business that is presented for our consideration and to participate in such incidents as have been provided by the committee of arrangements.

A. D. Bissell,
President New York State Bankers' Association.

The double pleasure is therefore accorded me of welcoming you here at this time, for that purpose, and of acknowledging the hospitality of the bankers of this city. Realizing the value of time and that these are the busiest of active days in this city, this memorandum of the conditions of our association has been made as brief as propriety would permit.

Our association is in a prosperous and flourishing condition, as will be more fully shown by the report of the secretary. The association's finances are in a sound condition, as will be shown by the treasurer's report. The balance to his credit is unusually large, representing two years' receipts—the fiscal year commencing October 1, at which time annual dues are collected. The membership shows a gratifying total, considering the number of banks that have gone out of business by consolidation, liquidation or from other causes.

Still, this is not wholly satisfactory, as we should be contented with nothing short of the membership of every bank in the State. I cannot imagine one single reason why any bank should hesitate to join this association. The benefits are all one way, with no disadvantages or drawbacks.

REFORM IN THE METHODS OF TAXING BANKS.

Early in the history of this association the subject of taxation received much attention, and it is recorded that a committee on taxation was one of the first to be appointed. Since that time the subject of legislation making the taxation of banking institutions in this State uniform has been carried to a successful issue and a law has been enacted levying a State tax of one per cent. per annum on capital and surplus of banks and trust companies, in lieu of the old method of local assessment and special exemptions. This result was almost wholly

obtained through the efforts of your committee. The active and effective work of the committee on taxation during the administration of my predecessor has not been aggressive during the past year, it being deemed advisable for the present to accept the benefits of the recently-passed law rather than provoke unfavorable legislation; not that the present law is considered fair in all respects, as by its provisions real estate is taxed both by the State and locality, which is certainly unjust. It is hoped that any inequality now existing may be corrected in the near future. While the provisions of this law may not have worked out to the material present advantage of every single bank is this State, it certainly was right legislation and for the interest of the bankers generally.

The committee, unchanged, was continued during the year and has always been represented at the meetings of the council of administration, and has presented reports of work done or contemplated. A uniform form of statement for borrowers has been generally adopted throughout the State as the result of the recommendation of this association, resulting in much benefit to our members. Added to this has been the opportunity of personal contact and social intercourse, resulting in acquaintance with one another, which, otherwise, would probably never have occured, and which to me has been one of the chief benefits derived from this association, a statement which I think you will all endorse.

These are some of the results obtained from the small beginnings made nine years ago when scarcely one hundred institutions enrolled themselves as members of this association. Of those assembled at the first meeting some distrusted the motives of the organizers; some were fearful of compulsory agreements to share in improper associate legislation. But time has removed all suspicion and the record of our association is one of the greatest good to the greatest number, and as favoring all things for the general good of our business associates. We are striving for practical ideas; best methods of personal acquaintance; best methods of protecting depositors; best methods of serving stockholders; best method of preventing fraud; best method of serving the public and the business community. These are some of the objects which our association has endeavored to accomplish, as well as equal taxation and general laws applicable to all institutions receiving money on deposit, subject to check.

OTHER EVILS TO BE ERADICATED.

There are evils still existing which interfere with a fair and profitable management of banks, and which frequently lead to loss and unsafe business methods.

One is excessive interest paid on deposits. The bank would not be the only gainer if interest on deposits were cut off. The borrower would get his money at a more favorable rate. The depositor also would be better protected, as larger reserve could then be carried without loss, thus rendering banks stronger and safer in financial emergencies. The tendency to make doubtful loans would be eliminated. In fact, from the standpoint of practical ideals, no interest should be paid by banks of discount to depositors, and certainly not on active acconnts.

The other evil is open to even greater criticism than this. I refer to the habit of collecting foreign items at par. It would seem that ordinary business sense would dictate its correction, as we all know that no service worth having can be performed without some pay, and it is to the bank that originally takes the item, and that takes the risk of non-payment and consequent loss, that the collection charge should be paid. This is the country-check evil, which, thus far, seems only to have been satisfactorily solved by the New York city bankers, whose wisdom and courage we admire, but still are too timid and suspicious to follow. These two subjects have been discussed quite freely by some of the groups at their meetings and some relief obtained.

These evils have their origin in an acute and unreasonable competition. No rivalry should go beyond the lines of reason and fair play. Remember one thing, there is room for all. There are not too many banks. Large and small are needed alike. There are also depositors enough to go around. Every bank cannot be the largest. Be content with fair business and fair profits. Be willing to abide by the rules of fair play. Bankers and depositors are as necessary to each other as are capital and labor. Neither can prosper without the other. Their interests are identical and there is plenty of opportunity for both. The result of fair and friendly competition is the happy and contented business man. It is hoped that a permanent remedy may be discovered for both the check evil and excessive interest to depositors, through the agency of this association.

I believe the present bankruptcy law should be repealed. I think there was a demand for such an act at the time the bill was passed to relieve the burden resting on the honestly insolvent man, hopelessly smothered by indebtedness impossible to pay. That time has passed. That relief has been obtained, and now its only use is for those who dishonestly take advantage of its provisions to escape paying their honest debts. It futhermore interferes with the honest young man without capital who would easily find assistance if protection were sure in case of disaster.

Large banks are absorbing smaller ones. Whether this will result in greatest good to greatest numbers, and whether in the interest of good banking, time only will tell. The branch bank in this city, I suppose, may be considered as beyond the experimental stage. If it should prove the success that its friends claim, it is quite possible that the system may be adopted in State and Nation. However these undertakings may eventuate, I think I voice the sentiment of this organization when I say that as an organization we favor any enterprise in banking that results in greatest good to greatest numbers, and that makes for the improvement of the people at large and that redounds to the credit of our country. Whatever may be done, either in this State or Nation, we are sure of one thing—that the administration of the laws affecting banks is in strong hands.

THE BANKER'S INFLUENCE IN FAVOR OF SOUND BUSINESS METHODS.

There is still a broader sphere of influence for the banker which it is hoped has been fostered and advanced by this organization. That is, a realization of the power for good which we all possess in moulding and directing the business methods of our several communities. Honesty is the foundation of all successful undertakings, and, as the demands of many large business operations made necessary institutions of exchange, modernized and perfected into the present banking institutions, with their safe and simple method of handling the ever-increasing demands of business, so, in the domain of honesty, the bank and its officers has had a most potent influence in building up business morality. While not, strictly speaking, a professional man, I regard the banker as semi-professional, and following so closely upon the learned professions that I am sometimes almost tempted to believe that he has a greater moral and improving influence for good than all of them combined and, instead of standing in the shadow, is entitled to take first rank in the professions.

It might be well for us to give attention to an organization gradually but surely extending its influence for good in the banking world, known as the Institute of Bank Clerks. Not only is this organization improving the quality of the bank employees, but it is awakening an enthusiasm resulting in direct benefit to the banks in large cities and augurs well for the young men who are soon to take our places. While this organization is the child of the National Association, it is in the interest of good business for us to encourage it. The clerk behind the desk occupies the same position in business as does the man behind the gun in war.

We are at the present time in the midst of an unusual period of prosperity. The Treasury of the United States is burdened with money. The banks of the country never had such large deposits and were never in such an apparently prosperous condition. Wages are high, and still higher wages are demanded in many trades. National credit never was higher than now. Our currency is on the strongest and safest basis. Only one thing seems to be necessary to make the conditions ideal. That is an automatic arrangement whereby the currency may be increased and decreased as conditions of trade require. Contemplating these conditions and our relations to them, my friends, we have a serious duty to perform to satisfactorily meet our obligations and properly administer our trust. Let us, therefore, so perform our part as to add dignity and standing to ourselves, our banks, our clients, our State and our Nation.

If we shall have done this, is it too much for us to expect that in the final analysis, when human events are judged in the last day, the banker of the twentieth century may be deemed worthy to occupy the place in the Holy Temple from which the money-changers were driven nearly two thousand years ago?

Now, in taking official leave of you all I desire to thank you for the honor conferred in electing me to be your presiding officer on this occasion. I shall always remember it as one of the very pleasant events of my life. No one knows so well as I how undeserved, and on that account it is the more thoroughly appreciated.

To my associates in office during the past year I desire to make my acknowledgments for their ready co-operation at all times, and for their loyal endeavors in behalf of this association. To the council of administration, for their prompt and faithful attendance to the duties devolving upon them, I desire to express my thanks. I desire especially to express my appreciation to the committee of arrangements, who have done their work so well and to whom we are indebted for the success of this convention. For the association, as I go into the ranks again to work with renewed zeal as an expression of my appreciation of your kindness, I hope for a continued growth, prosperity and ever-increasing influence.

THE PRESIDENT: Next in order is the report of our secretary.

REPORT OF T. ELLWOOD CARPENTER, SECRETARY.

Mr. President and Members of the New York State Bankers' Association:

Your secretary respectfully reports as follows:

There have been held three meetings of the council of administration during the past ar.

The first was held at the Ellicott Club, Buffalo, October 28, 1901, President Bissell presiding, and representatives of all the groups, except Group VIII, were present, and also Mr. Adsit, chairman of the taxation committee, and Frank E. Howe, of Troy, treasurer. The chairmen of the various groups reported everything in their respective localities in good condition, and that the new tax law was meeting with very general favor. The treasurer was directed to pay to the chairmen of the groups three dollars for each member.

The action of the secretary in awarding the contract for printing the annual proceedings to Bradford Rhodes & Co., who were the lowest bidders, was approved.

It was decided that the term of office of the secretary should begin July 1, 1901, and that his salary should be paid quarterly. The date for the next annual meeting was fixed for October, 1902. The Waldorf-Astoria Hotel having been decided upon by the association as the place, the exact dates were left open, to be decided later. Various matters relating to banking were then discussed, and the meeting adjourned.

The second meeting of the council of administration was held at the Waldorf-Astoria Hotel, December 19, 1901, the president, Mr. Bissell, presiding. The treasurer, Mr. Howe, and representatives of all the groups, except Group VIII, were present. There were also present by invitation Vice-President Griswold and Charles Adsit, chairman of the taxation committee.

At this meeting, several new members were reported. The chairmen of the various groups reported favorably on local matters.

Mr. Adsit being asked for a report, stated that while the new tax law was not perfect and that some changes were desirable, still he did not think it would be possible or wise to push the matter further at the session of the Legislature. He further stated that he had had a conference with Senator Krum, the chairman of the committee on taxation in the State Legislature, and that the Senator had confirmed his opinion. He was requested to keep close watch on legislation at Albany, and if anything came up affecting the banks to give it prompt attention. This Mr. Adsit cheerfully promised to do.

The arranging for the annual meeting was then taken up, and October 9 and 10, 1902, was fixed as the date. The appointing of a committee of arrangements was left in the hands of President Bissell, who subsequently appointed the following gentlemen: Henry P. Davison, chairman, 2 Wall Street, New York city; William H. Porter, Gates W. McGarrah, Edwin S. Schenck, William Sherer, Charles Adsit, Stephen M. Griswold.

The matter of recognizing in some substantial manner the gentlemen who delivered addresses at Buffalo was considered, and a committee, consisting of G. K. Betts, Charles Adsit and Francis N. Mann, Jr., was appointed with power. The meeting then adjourned.

The third meeting was held at the Waldorf-Astoria on Wednesday evening, October 8, 1902.

REPORTS OF GROUPS.

GROUP I: Regarding a report of our group for the past year I have very little of a report to make in the nature of any business transacted. We have had a few meetings, and we have spent the time in banquetting, smokers and theatre parties. The number of members of this group has not changed much according to any report that I can give.

The treasurer, Mr. Howe, has not reported to me any additions or withdrawals from the group, yet I think we have lost one or two banks by consolidation, and have had one addition, which leaves the number of members at present at forty-six.

GROUP II: W. B. Farnham, acting secretary, states that owing to the death of C. C. Woodworth, the chairman, no meeting has been held and matters were very inactive.

GROUP III: Group III has had only one meeting since the last annual convention, our spring meeting having been omitted. The meeting referred to was held at the Hotel Rathburn, Elmira, on Wednesday, November 12, 1901, and was well attended. Various papers were read, and subjects discussed of local interest. The group has a way of working in something other than the serious side of banking, and on this occasion was delightfully entertained by an elaborate paper from Mr. Adsit, recounting some of his experiences abroad during the summer.

The election of officers followed, when B. W. Wellington, of Corning, was made President and E. O. Eldredge of Owego, secretary. The financial report of the condition of the group showed a comfortable balance on hand. Of action taken in practical matters the one which has been of most use to the members of the group during the year has been that of a committee which was appointed to secure a uniform rate of interest payments on deposits. It was found that the various members of the group were paying anywhere from one and one-half to four per cent. A medium rate, which was finally agreed upon after the expenditure of a good deal of effort on the part of the committee, has been adopted and seems to be working satisfactorily. Our membership is the same as last year, thirty-four members. There have been no failures during the year, neither have any new banks been organized. The group continues to be in healthy working condition.

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GROUP IV: Group IV has held one meeting this year, on January 30, at the Yates Hotel, in Syracuse, as guests of the Syracuse Clearing-House Association. Twenty-five members registered. I know of no changes in membership; one failure has occurred during the year, the New York State Banking Company, of Syracuse. The meeting was addressed by T. E Carpenter, State secretary of the association, and by Charles Adsit, chairman of the State committee on taxation.

Officers elected: Chairman, Anthony Lamb; secretary, G. W. Hannahs; executive committee, L. H. Groesbeck, A. B. French, G. L. Bradford, H. Sudds, Chas. A. Peck.

GROUP V: Group V has held only one meeting since the last meeting of the association, viz., at Albany, at the Fort Orange Club, in the latter part of December. The meeting was very largely attended: interesting addresses were made, new officers elected, and a thoroughly good time enjoyed by all.

The group is in a fine condition, the membership being seventy-three, with more in prospect. This is a slight decrease since last year, caused by the consolidation of some of the banks.

GROUP VI: Group VI has held only one meeting during the year, the annual meeting, held at the Palatine Hotel, Newburgh, November 29 and 30, 1901, at which the following officers were elected:

Chairman, Mr. Peter J. Elting, Vice-President Citizens' National Bank, Yonkers; secretary and treasurer, Walter F. Haight, Cashier Bank of Millbrook.

The chairman appointed as executive committee; J. H. Merchant, President National Bank of Stamford; Charles R. Dusenberry, director Citizens' National Bank, Yonkers; Robert A. Patteson, President Tarrytown National Bank; Edward Elsworth, President Fallkill National Bank, Poughkeepsie; David Graham, Cashier Matteawan National Bank.

Mr. Graham did not accept on account of pressure of business. I do not find among the books turned over to me any list of the members belonging to Group VI, but have been advised of no new members during the current year.

GROUP VII: Group VII, during the year has held two meetings, December 4, the annual meeting, and another meeting on March 5, 1902. Average attendance, twenty. We have forty-four members in good standing according to the treasurer's report. Of this number, the Kings County Bank of Brooklyn has been merged with the Union Bank and is out of business. The Mechanics and Traders' Bank is now a branch of the Corn Exchange, as is also the Queens County Bank.

We have the following branch banks:

PARENT BANK.	BRANCH BANK.
Corn Exchange, New York city	Queens County Bank.
	Mechanics and Traders'.
	Astoria Branch.
Mechanics', Brooklyn	Schermerhorn Bank.
Union, Brooklyn	Hamilton Bank.
Far Rockaway Bank	Rockaway Beach.
Jamaica Bank	Richmond Hill,
	Elmhurst Branch.

The following new banks have been organized: Borough Bank, Brooklyn; Coney Island and Bath Beach, Brooklyn; Bank of North Hemstead, Port Washington, N. Y.; Centre Moriches, N. Y.

During the year James M. Brush, President of the Bank of Huntington, a former chairman of our group, and active member, has died.

The matter of admission of trust companies was discussed, but no definite action taken. We have had pleasant meetings, and consider the group in good condition, socially and financially.

GROUP VIII: Group VIII has held three meetings during the past year, the first on November 7, 1901, at which time the following officers were elected: Chairman, George F. Baker, President First National Bank, New York; secretary and treasurer, Gates W. McGarrah, Vice-President Leather Manufacturers' National Bank, New York.

Executive Committee: Henry P. Davison, Vice-President First National Bank, New York; Granville W. Garth, President Mechanics' National Bank, New York; George W. Perkins, of J. P. Morgan & Co., New York; Lewis E. Pierson, Vice-President New York National Exchange Bank, New York; Valentine P. Snyder, President Western National Bank, New York; William H. Porter, Vice-President Chemical National Bank, New York; Edwin S. Schenck, President National Citizens' Bank, New York; Albert H. Wiggin, Vice-President National Park Bank, New York.

The second meeting was in the nature of a banquet held at the Waldorf-Astoria, New York city, on December 19, 1901, at which time the group was addressed by Hon. Thomas B. Reed, Hon. Henry E. Howland, Amos Parker Wilder and Rev. Donald Sage Mackay. The attendance at this banquet was the largest in the history of the group.

The third meeting was held May 9, 1902, instead of in the fall as usual, so that the committees could be appointed earlier in the year, and the following gentlemen were elected:

Chairman, J. Edward Simmons, President Fourth National Bank, New York; secretary and treasurer, Lewis E. Pierson, Vice-President New York National Exchange Bank, New York.

Executive Committee: William C. Duvall, Cashier National Bank of Commerce, New York; Ruel W. Poor, President Garfield National Bank, New York; E. C. Schaefer, President the German Bank, New York; Charles H. Stout, Vice-President First National Bank, New York; E. J. Stalker, Cashier Chase National Bank, New York.

With three exceptions, all of the banks in the group are now members. We hope to bring the exceptions in line before long.

The present membership of the association is 463, a gain of fifteen during the year. The total includes 246 National banks, 139 State and fifty-seven private. The membership is distributed as follows:

Group I has a membership at present of fifty-four; thirty-two National, thirty State and one private.

Group II has a membership of twenty-five, a loss of one over last year; ten National, ten State and five private.

Group III has a membership of thirty-one, a loss of three; twenty-one National, seven State and three private.

Group IV has a membership of sixty-one, a loss of one; fifty-two National, four State and five private.

Group V has a membership of eighty-five, a gain of seven over last year; sixty-nine National, thirteen State and three private.

Group VI has a membership of forty; thirty-four National, and six State.

Group VII has a membership of forty-four, a gain of two over last year; eleven National and thirty-three State.

Group VIII has a membership of one hundred and twenty-three, a gain of eleven during the year; forty-seven National, thirty-six State and forty private.

As the subject of bank money orders has been widely discussed, and as for some months many banks have been actively issuing the orders through the medium of the Bankers' Money Order Association of New York, your secretary deemed the subject of sufficient interest and importance to accept an invitation extended by the officers of that association, to meet the secretaries of other States in conference in New York city. A very interesting meeting, attended by some twenty-five secretaries of State Bankers' Associations, was held on March 15 last, and after due investigation and thorough discussion a resolution was passed by the secretaries, unanimously approving of the plan and system of the Bankers' Money Order Association as calculated to benefit the banking fraternity, and calling upon the banks of the various States to give it their support. I have no hesitation in saying that I believe members will find it advantageous to use the system.

There seems to be a growing desire on the part of trust companies to join our association, your secretary having received numerous requests for membership. It would seem advisable to give this matter early consideration, as it is not unlikely that the trust companies will organize among themselves if they are not admitted to the association.

THE PRESIDENT: The next order of business is the report of Frank E. Howe, of Troy, the treasurer of the association.

REPORT OF FRANK E. HOWE, TREASURER.

The report of the treasurer of the New York State Bankers' Association is as follows:

Succeeding J. F. Thompson, as treasurer I received from him	$6,788.31
Received from 453 members for annual dues ending October 1, 1902	5,440.00
By order of council of administration, fees were refunded to the Bank of New Rochelle, leaving net membership, 452.	
Interest received from Manufacturers' National Bank, Troy, on daily balances to October 1, 1902	75.06
Received from 438 members for annual dues, for year ending October 1, 1903	5,220.00
Total receipts	$17,503.37
From which there has been disbursed, by order of the President upon eighty-three vouchers	9,930.52
Leaving balance in the treasury	$7,572.85

The total membership for year ending October 1, 1902, is 452 divided into groups as follows:

Group I	51	Group V	85
Group II	24	Group VI	40
Group III	31	Group VII	44
Group IV	62	Group VIII	114
Total			452

The total membership for year ending October 1, 1903, is 433 divided into groups as follows:

Group I	49	Group V	78
Group II	25	Group VI	40
Group III	27	Group VII	41
Group IV	58	Group VIII	115
Total			433

The classification of the total disbursements, $9,930.52, is as follows:

Convention expenses, 1901		$3,646.65
Officers' expenses	$1,567.20	
Council meeting, Buffalo	190.96	
Council meeting, New York	237.46	
Printing proceedings	213.30	2,208.92
Taxation committee		2,624.70
Disbursed to groups		1,356.00
Refundment of fees		10.00
Expenses convention, 1902		84.25
Total		$9,930.52

The total memership reported at the 1901 convention was		449
From which there have been lost by merger into other banking institutions	8	
Closed	4	
Withdrawal	3	
Total loss		15
		434
New members enrolled		18
Net membership to September 30, 1902		452

The membership for 1902-1903 is		433
Lost by merger into other banking institutions	17	
Closed	1	
Withdrawal	1	
	19	
New members enrolled	12	
Net loss		7
		426
Memberships paid	433	
Not yet reported	12	
	445	

Respectfully submitted

FRANK E. HOWE, *Treasurer*.

On motion the report was received.

PRESIDENT BISSELL: Of course this report will have to go to an auditing committee. I will appoint as such auditing committee David Cromwell, of White Plains; W. I. Taber, of Herkimer, and L. J. Clark, of Pulaski. They will report to-morrow morning, at which time the approval of the treasurer's report will be in order.

We will now have an address by Mr. William A. Nash, President of the Corn Exchange Bank, the subject of which will be "Branch Banks." I now have the honor to present Mr. Nash.

Branch Banking—Address by William A. Nash, President Corn Exchange Bank, New York.

In accepting the invitation of your committee to address you on the subject of Branch Banking, I did not at first realize that in my desire to meet their wishes I was placing myself in an embarrassing position.

The member of this association which I represent was the first bank to take advantage of the New York law authorizing the creation of branches, and so far has been the most important organizer of these subsidiary institutions. Under these circumstances I am loath to appear before you as the champion of a system in which I am so deeply interested, inasmuch as such an attitude might involve criticism of methods that differ from that system. But I shall, in the remarks I am to make, rely on the good sense and leniency of my audience, which includes so many competent authorities on the general subject of banking. I wish to propose that where my views do not coincide with yours, we respect one another's opinions—and agree to disagree. This will allow me to speak with greater freedom of my personal connection with the subject, and release me from the suspicion of using this address for the celebration of my particular connection with branch banking.

In 1893 I had the honor of being a member of the most important loan committee ever appointed by the New York Clearing-House. Within a year two of the members of that committee have departed this life. The lamented chairman, Frederick D. Tappen, will always be held in the most grateful and admiring remembrance. The opportunities that I had of observing his courage, his sagacity and his ability were very many, and I am sure his associates will ever recall the strength and vigor with which he approached the problems that were every day presented to us during that disturbed time. Peace to his honored memory.

The loan committee of the New York Clearing-House becomes in a financial crisis the center of all the woes and trials of those unhappy seasons. It is by force of circumstances the trusted repository of the weaknesses and wants of the banks, and its sympathies and resources are appealed to day by day. Every morning brings a fresh batch of needs to apply the remedy and assist in keeping the wheels on the track. I mention my connection with this memorable committee to explain how some of the facts that came to its knowledge in 1893 had the effect of turning my attention to branch banking.

The clearing-house loan certificate, now so famous as an effectual remedy for strained conditions of finance, can in the nature of things be used and appropriated directly only by the members of the clearing-house association. They are issued only to the associated banks, and their circulation is prohibited beyond these banks. The outside banks can participate in the help these certificates afford in an indirect way only and not as a matter of right. So long as the clearing-house banks were so disposed, the assistance they received at such times by the issue of certificates was shared with banks connected with them, but this consideration was given as a gratuity and not a right. The position of the non-member bank thus became one of great uncertainty and anxiety, and I think it will be recalled by every institution that in 1893 was using our clearing-house indirectly and with no right to its privileges, that their situation was unenviable, unsafe and unhappy. They were the wards of institutions already heavily burdened with their own cares, and anxious to lessen those cares as much as they could. The non-member bank was then in the painful position of existing by sufferance. Their clearing-house representative would willingly have given up the agency, and there were none who were anxious to adopt them had they been thrown off. This state of affairs continued for several months, when the redemption of the certificates restored things to their normal condition and released the outside banks from their unpleasant situation. Their solvency was in no wise affected or questioned. It was simply their isolation and want of close union with the great banks that placed them in this unsatisfactory position.

The dilemma in which these banks were placed, disturbed me very keenly, as I was connected not only with the loan committee, but also with several of these exterior banks, as a member of their board of directors. Indeed, the most trying and exhausting financial crisis that I remember, was the so-called panic of 1893.

Naturally, such experience leads thinking men to devise remedies for the future. The clearing-house machinery has not arrived at its present efficiency without many changes and improvements. Every emergency has added to the skill with which the next one has been handled. To my mind the lesson of 1893 was the need of additional protection to the non-member banks in financial crisis. There were two ways in which it could be done. One was to become a member of the clearing-house association. The requirements, however, of that membership are, very wisely, made exacting. No bank with small capital or resources can hope for admission to a partnership on an insufficient contribution to its strength, and so the association has fixed a limit which a large majority of the small banks scattered over the city are unable to approach. The other way was by association among themselves, but that could only be accomplished by a union of capital, and for this a large central bank with branches seemed to me to be the only solution.

BRANCH BANKING MERELY AN EXERCISE OF COMMON SENSE.

I am free to say that the branch banking organized by the Corn Exchange Bank is the application of common sense to a situation and nothing more. There is no royal patent of ideas in the matter. It is a system such as any intelligent banker could reason out and apply. I grant you that the reasoning out—the academic portion—was the easier part, and can be communicated to you in this address. But the application of those ideas to existing conditions became a much more serious matter, and here, as always, the practical working is a matter of individual talent, which we all know is so difficult to discover and secure.

The idea suggested by my observations in 1893, was this: As the New York Clearing-House then associated all its members together in practically one bank and unified all the capital and resources to meet an emergency, so it might and should be possible that the very useful and small institutions scattered over the city should be able to rely upon one central bank for their help and support in troublous times; that one bank with sufficient capital should assume to these smaller banks the same position of protection that the clearing-house did to its members. So that the logical position is, that branch banking is the permanent extension to small institutions of that support that is given to the clearing-house bank when they join together for mutual protection.

In 1898 there was passed by the New York Legislature an act authorizing branch banking, that is so brief and comprehensive that I will read it in full:

"No bank in this State, or an officer or director thereof, shall open or keep an office of deposit or discount other than its principal place of business, except that any bank located in a city of over one million inhabitants, according to the last State or Federal enumeration and whose certificate of incorporation shall so provide, may open and keep one or more branch offices in such city for the receipt and payment of deposits and for making loans and discounts to the customers of such branch offices only; provided, however, that before opening any branch office the approval in writing of the Superintendent of Banks shall be first obtained, and no loans or discounts shall be made except such as may have been previously authorized by the board of directors. Every such officer or director violating the provisions of this section shall forfeit to the people of the State the sum of one thousand dollars for every such violation."

This act owes its existence to the suggestions of R. A. McCurdy, President of the Mutual Life Insurance Company of New York, and was framed by Joseph S. Auerbach, a well-known lawyer of this city. When its terms became known to me I saw that the opportunity of accomplishing that which was so much needed in the panic of 1893 had arrived. I saw also not only the opportunity for a system for protection in dangerous times, but one for efficiency and economy of operation in all times, and so the bank with which I am connected determined to take advantage of a law so salutary. Other New York institutions are also availing themselves of the privilege of the law, and in due time I look to see the conversion of small banks into branches and the creation of new branches go on, until every part of the city is furnished with banking facilities of a character strong enough and competent to meet every demand that may be made upon it. The State law, of course, allows the privilege of branch banking to State institutions only. A majority of the small institutions outside the clearing-house are under the State law.

Our method has been to absorb existing banks by the retirement of their capital, and to start new branches in localities where it has seemed to us there was a field for additional banking facilities. We have in this way terminated the corporate existence of seven banks within the limits of New York city and have opened an equal number of new branches, so that at present we have in addition to the main bank, fourteen branches. You will readily understand that under the New York law a bank with branches is simply a bank which for the convenience of depositors opens offices in any part of the city. The capital of the parent bank applies equally to each branch, and covers the liability to every depositor no matter where he may be located. A dealer in the newest and most remote part of the city, dealing with such a branch, is as fully protected by the capital as if he was in the center of affairs and doing a large business with the central bank. It is the extension to a myriad of small depositors of the protection of a large capital and surplus that constitutes the leading merit of the branch system. The branch, through the main bank, has also all the advantages of the clearing-house, the value of which franchise is now highly estimated. It therefore follows that the embarrassments that have in the past attended small institutions in times of financial stress are very much modified and lessened by a legalized system of association, such as is now termed branch banking.

BRANCH BANKING AND EMPLOYEES.

As bankers you readily comprehend the statements I have made relative to the motive and value of association under one capital, and you must also be alive to the advantages of a central management. I have remarked on the desirability of securing executive talent. All lines of business are engaged in this quest. There is no need of able and energetic men going

without employment or good salaries. In our branch systems we are keeping a keen lookout for bright, thinking men, who are desirous of making their way in their business. In the banks which have become branches by giving up their corporate existence, we have been glad to retain every capable man, and practically we have not reduced the force in any of the banks so adopted. When we have created new branches, competent men have been in request and have had the first chance as managers, tellers, etc.

The officers of branches of course, have a more limited sphere of action than the officers of a bank, but none the less is the requirement of ability and judgment. He has not the care of the reserve, for that is attended to at headquarters. He is not worried by an excess of uninvested funds and compelled to go downtown to buy paper or find good collateral loans, for his surplus is massed in the main bank and is handled there .This prevents duplication of lines to borrowers, and concentrates the management of unemployed money in one experienced department rather than commit it to a number of officers who may lack the knowledge that is at the command of large central institutions.

The manager of a branch is expected to do three things—to attract and accumulate deposits, to keep down expenses, and to master the credits of his own customers. The central bank on its part, superintends and scrutinizes these credits and approves or disapproves new lines of discounts, or enlargement of old lines. It calls from each branch daily a statement of its condition, of the loans and discounts made, the overdrafts, and the differences in cash. The character of the cash on hand is also reported, the new accounts that may have been opened, and those which have been closed with the reason therefor, also the notes which have been paid during the day. In brief, the main bank knows by the reports of the managers the exact condition of the entire system at the close of business the night before. The superintendence of the central bank goes still further. There is a thorough method of inspection. Committees of clerks of one branch are detailed to examine another branch, and often in this way the entire bank is completely examined in one day. These examinations are made without notice, and are frequent enough to accomplish the object without being an annoyance. A system of changes of clerks from one position to another or from one branch to another and compulsory vacation of every employee at least once, and in some cases twice a year, has been found serviceable in promoting correctness and efficiency. The collection of out-of town checks is consolidated into the parent bank and there they are forwarded to the various correspondents throughout the country, and is thus kept under better observation than if each branch attended to its own work. It is impossible under such a system of reports and inspection that there should be a duplication of credits or loans.

All this complicated machinery, involving as it does a vast amount of detail, would work badly but for the help of the telephone. The managers of a branch are thus in instant communication with the central office and consultations are continually going on. How much intelligence and grasp of the system is necessary to a successful working, you as practical bankers can easily divine. It is no boy's play, but when organized by experienced banking men the ease with which a vast amount of additional detail can be handled is almost incredible.

I do not know whether I have succeeded in giving you a very clear idea of the process by which the varied interests in diverse branches can be gathered together at one point and directed with ease and success. It is a matter of development and evolution. We have found it to work with facility, but only after a great many experiments and sifting out of impracticable methods from those which were found to be entirely suitable and efficient. Therefore, when it is asserted that branch banking on paper can be made a very beautiful and symmetrical affair, it is quite true. It is also true that it can be made a success in practice, though here, as said before, the element of personal ability comes in very largely.

It was this view of the matter that led us in forming the system of branch banking to depend not on what had been done in England, or France, or Germany, or Canada, but to work out the system here in America, and we did not need to go to books or precedents to discover that a bank with branches is simply one great bank with its sphere of action scattered over a certain area, but controlled and governed as absolutely as if all the clerks, books, cash and depositors were gathered into one building.

EXTENSION OF THE BRANCH BANKING SYSTEM.

Whether the sphere of branch banking could be extended beyond a great and homogeneous city, I am not prepared to say. Theoretically, it would seem to be possible; but all of us are familiar with the way theories are sometimes affected by hard and unlooked-for facts, and it is a question in my mind whether local pride, prejudice, interests and peculiarities will not be too strong for that desirable unity which we find possible in a city, where a branch can be visited and inspected every day and the managers and clerks are easily observable and mingle together.

Of its favorable working in a great city under the conditions I have cited, I have now no manner of doubt. It is true that the experiment has thus far been tried under prosperous

and favoring conditions. We have been sailing before the wind now for several years. The skies are still bright, but squalls are not impossible and some day there may be a storm. In these disturbed seasons which are by no means obsolete because they are out of fashion, the question of how branch banking will ride out the gale has occurred to no one oftener than to the speaker. It seems to me that the dangers to the creditors of the banks have not increased, but on the contrary the guarantees given to depositors have been multiplied and strengthened by this union of small institutions under one strong, responsible head. We have not ignored or been unmindful of criticisms that have been made on this new form of banking. It has been claimed that the small local borrower would suffer by the control of a strong and remote central bank and that the accommodations would be curtailed by the use of funds in larger and more profitable ventures. This is a mistake and a fallacy. The small loans are very often the best, certainly the risk of loss is limited and the rates paid for money are higher than in the centers where the dollars most do congregate. I can compare the funds placed at the disposal of the main bank by the branches to an army held in reserve for help and assistance at points where it is most needed. At times one branch makes heavy demands for money, again it contributes largely and some other department gets the use of its unneeded funds. The ability to move money to points where a good demand exists is certainly an improvement on the old system which I have described as existing in 1893.

I am conscious of not having given this subject that thorough treatment that would entitle an address before such a body and on such an occasion to a permanent place in financial literature. I am not versed in the rhetoric that makes such papers sometimes so imposing and, as one has said, so dismal. I have endeavored in an offhand way to give a reason for the faith that is in me—and I trust have thus been able to contribute to the interest attending this most pleasant and important convention.

President Bissell: We have listened with a great deal of interest and pleasure to Mr. Nash's address, and in the name of the association I beg leave to tender to him our appreciation and hearty thanks.

The ordinary course heretofore has been after the delivery of addresses to throw the subject open for discussion, but in this instance I feel that the subject has been so thoroughly discussed that nothing further could be added. However, if any delegate feels otherwise an opportunity is now accorded for the expression of views on the subject.

Mr. Tripp, of Marathon: I would like to inquire of Mr. Nash, if it is in order, whether or not it would not be practicable to extend the system he has spoken of to the smaller cities throughout the State?

Mr. Nash; Entirely so, in my opinion.

Mr. Tripp: I do not feel content to let this address go by without extending to the speaker a formal vote of thanks for it. I therefore move you, Mr. President, that the association extends to Mr. Nash a rising vote of thanks for his masterly address.

The motion was carried unanimously.

Nomination of Officers.

President Bissell: The next order of business is the nomination of officers for the ensuing year, and the usual procedure is to call the groups in their order, and, as each group is called, for its chairman to rise and put in nomination whoever he sees fit.

Group I is located in the westerly part of the State, and is my own group. I have not seen the chairman of it here, but I take the liberty of asking Mr. La Salle to speak for the group.

Mr. La Salle, of Buffalo: On behalf of Group I, I beg leave to present the name of Hon. Stephen M. Griswold, of Brooklyn, for president of this association.

President Bissell: Group II.

Mr. Brewster, of Rochester: The chairmanship of Group II is vacant at the present time, but I think I can safely express the sentiments of the group when I say that I heartily second the nomination of Mr. Griswold.

President Bissell: Group III (no response). Group IV.

HON. GEORGE B. SLOAN, of Oswego: I do not happen to be a member of the group that goes to make up the representative body, Mr. President, but I am quite warranted in saying that there is only one sentiment in the locality where the group is located, and that is in favor of Mr. Griswold for the office of president of this association. It gives me very great pleasure to be asked to make this announcement for the group, because it has so happened that I have had in the past official relations with Mr. Griswold of a somewhat intimate character, which have given me an excellent knowledge—better perhaps than many other associations could—of the character of the man, and I want to say that that knowledge leads us to state here with the utmost emphasis that no man could possess higher qualities of manhood for the performance of the duties of such an office than Stephen M. Griswold, and as regards those other qualities that adapt him to the performance of the duties of the office nearly every gentleman here is quite as familiar as I am, and they commend themselves so strongly that I think there cannot be a dissenting voice in this convention against its being the good fortune of this association to have Mr. Griswold represent it for the coming year in the important office of president.

The remaining groups were called, and all seconded Mr. Griswold's nomination.

PRESIDENT BISSELL: Gentlemen, I think we can congratulate ourselves upon our nominee for president. The next in order is the nomination of a candidate for vice-president. Group I.

MR. TRIPP: On behalf of the members of Group I, I am asked to present the name of Charles H. Sabin, of Albany, for vice-president.

The other groups seconded Mr. Sabin's nomination.

PRESIDENT BISSELL: The next office for which a nomination should be made is that of secretary. I will call upon Group I to present a nomination.

MR. LA SALLE: Mr. President and gentlemen, because of the overshadowing efficiency of the present secretary, Group I will nominate the present incumbent, T. Ellwood Carpenter, of Mt. Kisco.

Mr. Carpenter's nomination was seconded by all the various groups.

PRESIDENT BISSELL: The nomination of a treasurer is next in order. Whom does Group I nominate?

MR. LA SALLE: I take great pleasure in nominating for treasurer E. P. Johnson, of Glens Falls.

The nomination was seconded by the chairmen of the several groups.

PRESIDENT BISSELL: The ticket is now complete. The formal election will not take place until to morrow.

CHARLES ADSIT, of Hornellsville: Mr. President, I think the time has come when this association ought to have a new man at the head of the taxation committee (cries of no, no, no). I beg the gentlemen to hear me. I think there is no doubt about this being a wise course to pursue. There is going to be more or less legislation in which we will all be interested. Now, there are a great many on that committee who could do much better work at Albany than I could do, and I am quite sure it will be for the interest of the association to put a new man at the head of it. I therefore want to present my resignation and to nominate in my stead Senator Persons, of Buffalo. Senator Persons has been a most useful member of the committee and he has not only the confidence and respect, but the friendship, of everybody at Albany from the Governor down, and he can do more effective work there in one hour than I could do in a day.

PRESIDENT BISSELL: Gentlemen, you have heard Mr. Adsit's remarks in presenting his resignation. What is your pleasure?

HENRY P. DAVISON, of New York: I move you, sirs, that the resignation of Mr. Adsit be accepted.

MR. BREWSTER: Before any action is taken by the association in this matter I

would like to say that Mr. Adsit has done a great work for this association. If we cannot have Mr. Adsit, why, I believe Senator Persons would be an ideal man for the place; but it is my opinion that he is a man of too many affairs and too busy to accept the position, and perhaps he would not be willing to devote as much time to our interests as Mr. Adsit did. We know how well Mr. Adsit can do the work. Senator Persons has been on the committee all the way through, and I have no doubt that he has rendered very valuable assistance to Mr. Adsit. In fact, I presume Mr. Adsit bases his suggestion of Senator Persons' name on the ground of his experience with him and because he knows what valuable assistance he has given him. At the same time, it seems to me we will make a mistake to swap horses in mid-stream if Mr. Adsit can possibly be induced to remain on the committee.

Mr. Adsit: Gentlemen, it is not because I wish to avoid any work that I do this, but because I believe it is in the interest of the association to have Senator Persons at the head of the committee. I will say this, that I should be willing to serve on the committee and to do anything I can to further the interests of the association, but I believe we ought to have Senator Persons at the head of it.

Mr. Brewster: Perhaps if Mr. Adsit will consent to remain on the committee it might be well to accede to his wishes and allow him to give way to Senator Persons as the head of the committee.

Mr. Adsit: I would suggest that the association allow Senator Persons to select his own committee.

Mr. Sloan: It appears to me that it would be a very happy solution of the matter, now that we have the intimation from Mr. Adsit that he will consent to remain on the committee to elect Senator Persons. Therefore, I will be willing to second the motion made by the gentleman from New York accepting Mr. Adsit's resignation.

President Bissell: Then, as the chair understands it, Mr. Davison moves that the resignation of Mr. Adsit be accepted, and Senator Sloan seconds the motion with the proviso that Mr. Adsit be requested to continue as a member of the committee.

Mr. Sloan: That is it.

President Bissell: Gentlemen, you have heard the motion, and I know with what emotion you have heard Mr. Adsit's resignation. So far as I am personally concerned I share the sentiments expressed by Mr. Brewster in regard to Mr. Adsit. I also have the highest appreciation for Senator Persons. Out of respect to both Mr. Adsit and Mr. Persons, and my love for both of them, I think we should accede to Mr. Adsit's wishes. All who are in favor of the motion as stated by the chair will signify the same by saying aye—those opposed no. (Carried.)

The convention then took a recess to Friday at 11 A. M.

SECOND DAY'S PROCEEDINGS, OCTOBER 10.

President Bissell: Gentlemen, we will now proceed to business. The first order of business this morning is the reports of special committees. Under that head the first committee to report is the auditing committee, if they are ready.

David Cromwell, of White Plains: I want to report on behalf of the auditing committee, that they have examined the books and vouchers of the treasurer and find them all correct, and I desire to present this report:

We hereby certify that we have examined the accounts of the treasurer of the New York State Bankers' Association and the vouchers for the expenditures therein stated, and find them correct.

David Cromwell,
W. I. Taber,
Louis J. Clark,
Committee.

On motion the report was received and the committee discharged with thanks.

On motion the report of the treasurer was accepted.

PRESIDENT BISSELL: The next order is unfinished business, and after that new business is the next in order; but I think both those might be classified under the head of miscellaneous business. Therefore, if there is anything under the head of miscellaneous business it will now be in order.

MR. SMITH, of Freeport: Mr. President, as secretary of group VII, I have had frequent inquries made to me as to the standing of branch banks in our association. We have a number of them in our group, and I would like to suggest that this is a matter that ought to be referred to some committee—to the council of administration, perhaps—for consideration, so that we may know whether they have a standing the same as the parent bank has, or whether they are to be considered as being merged in that bank and not entitled to individual representation at these meetings or at our group meetings. At the present time we have a gentleman who is connected with a branch bank on our executive committee, and he feels a little delicacy in serving, not knowing whether his bank is regularly represented in this organization or not. Therefore, if it is proper, I would move that this matter be referred to the council of administration.

This motion was carried.

MR. TRIPP, of Marathon: Mr. President and Gentlemen—Referring to the very able address delivered by yourself yesterday and the suggestions therein contained, I desire to offer a resolution for the purpose of having it read, and not having any discussion of it now, and then that it be referred to the council of administration and they be directed to take such action upon it as in their judgment may be wise.

THE PRESIDENT: If the gentleman will hand his resolution to the secretary it will be read.

SECRETARY CARPENTER (reading): *Whereas*, The present bankruptcy law was passed for the avowed purpose of relieving the financial embarrassment of persons engaged in worthy business enterprises and to enable them to again engage in such business pursuits, and

Whereas, Sufficient time having elapsed for the accomplishment of that purpose, to continue the said law longer in force induces extravagant living and reckless speculation, encourages fraud and dishonesty and impairs the credit of honest men of small capital; and

Whereas, In its enforcement and administration, the assets of the debtor are made comparatively worthless and the dividends of the creditors—if anything at all, are made so small as to be scarcely worth a consideration; therefore,

Resolved, The present bankruptcy law having outlived its usefulness, should no longer remain upon our statute books, and that we, the members and representatives of the New York State Bankers' Association in convention assembled, ask our representatives in Congress to secure its repeal at the earliest possible moment.

The resolution was referred to the council of administration.

On motion the question of the place for holding the next annual convention of the association was referred to the council of administration with power.

SEYMOUR DEXTER, of Elmira: In order that it may be disposed of, and voicing what I know is the sentiment of every delegate present, I move that the thanks of the New York State Bankers' Association be and they are tendered to the committee of arrangements, of which H. P. Davison is chairman, for the splendid manner in which their committee have organized for the reception and entertainment of the delegates to this convention.

The motion was seconded from all parts of the hall.

PRESIDENT BISSELL: Before putting the question on this motion I want to say that personally I also thank that committee. I think they have done a most successful work, and they are not only entitled to the thanks of this association, but the bankers of the group are also entitled to our thanks.

The motion was carried.

Hon. George B. Sloan, of Oswego: Mr. President and Gentlemen—An impulse has moved me to rise in my place and make a motion; and the motion I propose to make, now that I am on my feet, embarrasses me very much, because I desire to make a motion that shall adequately express the gratitude and thanks of all the members of this association, and especially of those members from the rural districts, of whom I am one, for the extraordinary hospitality and kindness that has been shown to this association by the members of Group VIII of the City of New York, in giving us the opportunity for an evening of enjoyment that I am sure has made such an impression upon all of us and those who are fortunate enough to have their wives here to participate in this, that we shall never forget it as long as our lives shall be spared. It was really a most novel way, creditable to the ingenuity as well as to the cordial hospitality which prompted it on the part of the members of the group that I have named. I really feel quite unequal to express what I have heard expressed by so many members individually this morning and last evening, and that is why I said that I almost hesitated, hoping that somebody would make a motion that would express it more adequately than I can. I have not prepared any written resolution, but assuring the members of that group that it comes from the heart, that we fully appreciate it all and thank them most heartily for the hospitality shown us. I hope the resolution will be adopted by a rising vote.

William Kemp, of Troy: Mr. President I rise to second the motion. I sat by the side of Senator Sloan all last evening, and I noticed how greatly he enjoyed the whole of it, particularly when that little woman turned a back somersault.

President Bissell: I am quite sure Mr. Kemp noticed the incident if Senator Sloan did.

Mr. Sloan: Mr. Chairman, I won't give Mr. Kemp away by telling any remarks that he made at the time.

Mr. Henry F. Sammis, of Huntington: My friend who has just spoken has forestalled what I am going to say, but I will add that being so near neighbors as we are with members of Group VIII, I feel it incumbent upon me to second the motion extending thanks of the association for the hospitality that has been shown us. Many are not aware that Group VII is a little peculiarly situated. We are connected with Group VIII by the Brooklyn Bridge, and so we feel that it is incumbent upon us to second this motion, and it is with great pleasure that I do so.

President Bissell: I can add nothing to the words that have been said. If I could I would gladly do it. Unfortunately, the dictionary was made before this committee commenced operation and I am out of words. I will simply put the motion and I will ask you to respond by rising. As many as there are of you who are in favor of this motion will signify it by rising. (Carried.)

Next in order is the address by Senator Fassett, whom I now have the honor to introduce to you.

Address by Hon. J. Sloat Fassett.

I hope, gentlemen, as I have hoped before when I have met you individually, that you are in the affirmative and not the negative mood. I am really and genuinely embarrassed, as I face you all this morning, having no definite theme, but wanting to talk with you as fellow Americans on some of the topics of the hour. I have not had the time to undertake to be instructive, even if I had the assurance. My hope is that I may interest you in some suggestions looking toward the ultimate expansion of American banking enterprise.

I realize the honor that the committee extended to me in asking me to come before you, giving me a chance to see and to know you, and to compare some views with you. I realize that you are earnest men, engaged earnestly in grave and important business. I realize that you are the custodians of the financial health and the financial honor and the financial prosperity of the greatest State of the United States. I see here men who have made this State what it is in many enterprises, and particularly in all financial undertakings, the leading State and the most aggressive and progressive nation in the world. You have made New York State easily first, the Empire State, in the great industrial enterprises that adorn it and the

country west and south of it. All roads used to lead to Rome. All roads in this country lead to New York. It is to be part of our endeavor to make all roads from all over the world lead to New York. New York State and this Imperial City are a splendid product of the genius of the fathers and something of a tribute to the ability of their sons.

New York State, to do her justice, should stand at the head of the roll of Colonies. We are entitled to more credit than has been given us. We have been fertile in constructive genius, in industrial and mechanic arts and in political science, but we have, perhaps, been deficient in historians. New England, in that respect, has had a long advantage of us.

New York has had a great many "firsts" to her credit. Here, in this Colony, first in all the world was substantial freedom of worship guaranteed. We were the first to receive and welcome men of all creeds when they were still burning witches and whipping Quakers and expelling Baptists from New England. Manhood suffrage was first guaranteed by the New York State constitution. The first Congress of our country met here. The first President was inaugurated here and delivered his first inaugural within a few blocks of where we are now assembled. The first railroads were built by New Yorkers. The first steamboat was built and operated by New Yorkers. The first telegraph line was built by New Yorkers. The first cable was laid under the sea by New York capital and ability and courage. The first Pullman car was built and equipped by a New Yorker. The stars and stripes floated for the first time from Fort Schuyler in the valley of the Mohawk. The backbone of British power in America was broken over the stony ridges along the Hudson Valley and on the fields of Saratoga. New York Colony contributed three-fifths of the men and more than half the money to carry on the great war of the Revolution. New York State was foremost in the great battle for human rights in the subsequent war which brought sorrow and glory to us all. New York State has modified methods of legal procedure in all the English-speaking world. She has given constitutions and Governors and United States Senators to all the States west of the Ohio River. She has been first in all great reforms.

What we have derived from the fathers we have maintained and will hand down glorified and enhanced to our children.

All this has not happened by accident. It has been because there have been gathered here earnest men, men building their State upon the same foundation that they built their character—honesty, law, order, freedom, equal opportunity and fair play.

The world at large is living to-day a strenuous life. We are living ourselves in a very interesting period of the world's history.

I believe in years to come the last quarter of the nineteenth century and the first quarter of the twentieth century are to be used as dividing great historical epochs. If our father Adam had lived until the present day, he would have seen more changes in the last fifty years affecting the material, the mechanical and the industrial welfare of his children than in all the previous centuries of his existence put together. The world moves faster every year. It is moving now with a rush. New forces are developing, new problems are arising, and the intensity of life is vastly increasing. The struggles of earlier years for mere conquest at arms have given way to a struggle for markets. Military prestige has paled before commercial supremacy.

The security of our country for the future depends upon its continued power of competitive production. We have made great progress in the power to compete in production in all lines against all comers and all rivals. We have accomplished much in the last fifty years, but we have accomplished beyond the dream of hope during the last six years in every department of human industry and enterprise and interest. In literature, in science and in art we have been pushing the outposts further towards the unknown. But in commerce, in industry, in finance, we have surpassed a point beyond which you and I dared not dream of looking eight years ago. During those years we have sent our goods into all parts of the world. There is hardly a place in all the world, civilized or savage, where some American has not established the beginnings of a trade in some American commodity. Not all of these establishments are large, but all are significant. They are industrial and commercial spores from which may spring large enterprises in the future. They are, especially, abundant in Asia, Africa, Europe and the islands of the sea. The great commerce that has come to us and is measured by the figures I will give you is only the beginning, a nucleus, prophetic of what is to come in the future, so far more splendid than anything we have realized yet, that it is almost stupefying to contemplate it. In the last six years we have sent abroad in excess of what we ourselves have imported almost three thousand million dollars' worth of goods. The aggregate excess of exports over imports from the foundation of the Government to 1896 was only $383,000,000; so that in six years we have surpassed the record of the previous one hundred and twenty years nearly eight times. We are sending cutlery to Sheffield, millinery to Paris, lace to Holland, manufactures to Germany, shoes to Austria, wine to France, corn to Egypt, tinplate to Wales, machinery to England, locomotives to Russia, India, Japan and Great Britain, electrical supplies and food supplies and oil everywhere. We are loaning millions to Japan, Russia, Germany and England, and we are able and willing to loan more

on good security. We are successfully penetrating and winning in every field of industrial competition. We have accumulated in our Savings banks, to the credit of six million depositors, two billion, two hundred and thirty-five million dollars—six hundred and sixty million dollars more than was there six years ago; a million more depositors than were there six years ago! In the National banks there are due individual depositors in this country three thousand two hundred and thirty millions of dollars! This takes no account of the money which laborers and savers and individuals have, represented in insurance policies and insurance company reserves, in co-operative loan and building societies, and in the private banks and trust companies of the country. The growth has been something phenomenal. We ourselves stand bewildered in the face of it. We contemplate it with amazement. Our rivals contemplate it with despair. What has made this mighty movement possible? Whence has come this tremendous energy and efficiency? It is not accident. It is not magic. It is natural. It is evolution. It has all come from simple beginnings, each pregnant with vast possibilities. It has come from improved machines, improved methods and improved men. Five hundred years of conquering progress across this continent, overcoming obstacles at every step, has developed a race of men that for individual efficiency, as measured by the tests of results and of science, knows no equal on the earth.

But for convenience and to be more explicit, let us examine a few of the strands of the marvellous cable of our great strength. I should name as among the most important:

First, the application of steam and electricity to all the problems of transportation and communication;

Second, the accumulation of the savings of labor which we call capital;

Third, the concentration of industries:

Fourth, the high specialization of labor;

Fifth—and upon the fifth I lay the utmost stress, for I would give it the paramount position—the increase of faith in other men.

The foundation of modern civilization is the ability to exercise confidence in one another and to be worthy of it from each other.

This cause is the basis of all, for the great test of civilization is ability to exercise confidence and to deserve it. Before great combinations of men or of money in industrial or financial enterprises were possible it was necessary that men should be able to trust each other.

The test and keynote of savagery is distrust and suspicion. In barbarism every man's hand is against his brother and the victory belongs to the strong-handed. The savage knows himself to be held back by no notions of property or personal rights. He realizes that his neighbors are but duplicates or replicates of himself. Such a thing as mutual confidence cannot exist among any people who depend merely upon the strong right arm for their daily bread and for the protection and preservation of the family and their goods.

The keynote of civilization is confidence and trust. Savagery is based upon ignorance and the impulses of the natural man; civilization upon the enlightened discipline of Christian education. All banking and all business is founded upon faith. The foundation of faith is character—character that renders each individual worthy of trust, and therefore prepared to extend trust to others. So that all our development is to be attributed not merely to mechanical improvements or to industrial betterments.

The foundation of modern civilization as exemplified in America to-day is character built upon a thorough-going, deep-rooted, far-reaching Christian education. The character that will stand the best test and travel the rough journeys of life the farthest is the character woven of the solid old-fashioned virtues of earnestness, integrity and simplicity. Add to these capacity, and you have a good description of all the really great men who ever lived.

The nearer you get to the source of real strength in this or any other community, the nearer you approach the men who represent the best there is in life and effort, the more you observe and are impressed with the fact that they are genuinely simple men, that their ways are not devious ways, that their methods are not intricate methods. They are fashioned on the Living Truth, and they move forward in straight lines with noble purposes. The really great captains of industry are such by virtue of characteristics that mothers love to teach the children at their knees as constituting the ideals of manly excellence and strength.

Dazzling exceptions there may be; gamblers there may be and plungers and wreckers and schemers; but of these the splendid army of American captains is not made up. They are merely camp followers, sutlers and looters. The effort that is made to arouse the hostility and the suspicion of the great masses of the people against these great captains of finance and industry is not only morally damnable but it is politically and Americanly inexpedient.

The twentieth century opens with the ability to know and to trust others developed to a higher degree than ever has happened before since the world began. Facility of transportation and of communication is making men acquainted, and rendering it possible to co-operate and combine in all departments of human interest and activity as never before.

We think much has been done in the last fifty years. Let me say to you that the work of the last fifty years has only been the rough-hewing and foundation-laying for such accom-

plishments as will as far outdistance our present as our present outdistances the past fifty years.

You gentlemen in your modern offices converse with men a thousand miles away by the pressure of a button, whereas your fathers must wait for days and weeks and months to get the first reply to their opening correspondence. I expect my children to be able to transact business in South Africa, South America and Asia as easily as you transact it in Chicago, San Francisco or London to-day. Great things indeed are behind us, but vastly greater ones are before us, and the question of importance for us to determine is whether we are prepared to hold our own in the great struggles of the twentieth century. For the struggles of this century are to be struggles between giants—giants of war and giants of peace, giants of trade and giants of finance. It is to be no century for weaklings, and we have every need to buckle on the whole armor of complete and perfect preparation. Sometimes we hear it said that the day of the young man is past. The day of the young man is just opening. Sometimes it is said there is no longer opportunity for individual American strength. There never was such a time since the world began. Opportunities there are, but they are twentieth century opportunities They must be met by men of the twentieth century with twentieth century preparation. The old armor will not answer in the new fight. Young men grounded in character, educated along lines of their future life work—these men, with great capacity and great earnestness and great ability, have before them fields of conquest which your fathers and mine never dreamed of. The air is full of opportunities. The harvest is ripe and growing broader every day and we shall need reapers. The rarest thing to-day, the thing of the most profound and earnest demand, is a thoroughly equipped and responsible young man.

With nations as well as with individuals the contest for place is to be intense and close, and no one single element making for efficiency or economy can be neglected—not one. We cannot neglect the slightest item that constitutes the machinery of success without danger of forfeiting the entire fruits of victory, and falling into the rear rank with the wounded and the sick, the halt, the lame and the incompetent.

Other things being equal, that nation will lead all the rest which develops and maintains the highest capacity for competitive production and distribution. Into this enter three great factors.

1. The power to produce as good or better goods for the same or less price.
2. The power to put them down in any market cheaper than all competitors or as cheaply.
3. The power to arrange for liquidation and collection of balances with equal or greater facility and cheapness.

We have already demonstrated our ability on the first head; we are frightening the world with our capacity in that direction. We make better goods for less price and make them easier and quicker than any of our rivals. In the matter of carrying our goods to market we are still far, far behind, although recent events give us reasonable ground for the hope that we shall make up a large part of the distance in a very few years. We export now $1,400,000,000 worth of goods and import about $950,000,000 worth annually, and yet American ships carry less than twenty per cent. of this great value. In the matter of arranging for the collection of balances we are only just beginning to awaken to our opportunities. All of our European, South and Central American trade, and a good share of our Asiatic and Oceanic trade, settles with us through London—at larger cost than American banks would charge for the same accommodation, if they were equipped and in the field and doing the business. Right here is a great factor for economy open to Americans in the future. The field is so attractive and the rewards so remunerative, and the requirements so pressing and immediate that we cannot long ignore the great opening for American capital in international banking, especially with the vast Orient and with all that part of the Western Hemisphere lying south of us.

The great contests of the twentieth century are to take place upon and around and about the Pacific Ocean. The conquest of that mighty pathway for the trade of all nations is already upon us. To it all the more progressive of the industrial nations are already addressing themselves. In fact, we may safely say that we are just now standing at the threshold of a period which may well be called the Pacific Period of Civilization. History may well be divided—and it is a division of my own, I do not know whether it will stand scientific test—into the period of the Persian Gulf, the Red Sea, the Mediterranean, the Atlantic and the Pacific. These previous periods, the Mediterranean, the Red Sea and the Persian Gulf, have risen and flourished and succeeded each other by new and greater and wider civilizations. When the Persian Gulf was the center of maritime commerce, Bagdad and Babylon were the clearing-houses. Then came the Red Sea, with Tyre and Damascus. Then the Mediterranean, with Carthage and Venice. Then came the Atlantic, with Lisbon and the Low Countries, and London, the great clearing-house for its mighty commerce. And each period, singularly enough as it has come to pass in the round of ages, has exceeded its predecessor by as much in opulence and glory as the body of water upon which its commerce was carried exceeded in area the area of the bodies of water of the previous commercial periods.

Now we find ourselves actually facing the new period, the new trade epoch, of the mighty Pacific. The Pacific, touching as it does the shoulders of so many nations, so crowded with people and so full of opportunities, is to be the object of our conquest, the center of our struggles this twentieth century. The Pacific, dotted over with islands for use, we are going to plow with our cables and our ships. It is a great, broad, dazzlingly beautiful sapphire, six thousand miles in diameter, girt around by a ring of gold-bearing mountains and the consuming nations of the world. It is a conquest worthy of a race of giants, and to that conquest we must set ourselves most earnestly. For countless centuries civilization has been moving from the East towards the West. Beginning in the uplands of Asia it has moved across India and Europe, creating and destroying empires, building up and tearing down new civilizations. Side currents have whirled north and south, but the great stream of the expansive energy of the human race has moved westward and ever westward, until it crossed the Atlantic and for five centuries battled its way across both Americas, and now, after its centuries of march, it stands facing the ancient home of its early beginnings enlarged, changed, exalted, enriched, strengthened and enlightened by all the lessons learned from the victories and defeats of its thousands of years of march and efforts. Its journey is in one sense completed, but probably it is not yet ended. We are only a little ways out from the shadow of savagery and barbarism, when we remember that our race has been on this earth millions of years and that we have only a few little scanty decades of recorded history. We have only just commenced the march of splendid triumph towards the ideal and possible manhood. We are only in the babyhood of the possibilities of this Divine Image on earth. There is a magnificent future before the human race if we and our children meet our responsibilities as nature and Providence intended we should.

We have already gone so very far west that any farther west is east. Now the nations are assembled. Heretofore the expansion has been east and west, but now to-day the great problems of diplomacy concern themselves with a new direction of the expansive course of the race—the direction north and south. England, from the southern point of Africa and from Egypt, is crowding to add that great continent to its empire, and incidentally to make a market of it. Russia has been moving steadily and gradually, but unflinchingly and unfalteringly, until it has spread all over the north of Asia, and it is beginning to run its iron fingers and railways down to the Persian Gulf—Russia, with her progressive and productive energy in life, consistent, autocratic, insistent and intelligent! The great danger to America's future is no longer England. A more imminent danger is Germany, but the most imminent is this mighty shadow coming from almost the Arctic region, Russia!

And we are stretching north and south, reaching Alaska, and reaching a kindly hand, but a strongly protective arm to the countries south of us and setting a stern face towards any intrusion from abroad. We occupy a coign of great advantage. We are assuming peculiarly intimate and increasingly close relations with Mexico and Central America and South America, as well as holding out inviting arms to the great continent to the north of us.

The great focal point in the great struggle of the future is America. We are the center of all curious eyes, lying midway between Europe and the Orient, fronting the ocean whose supremacy is waning and the ocean whose supremacy is beginning, next neighbor to Mexico and in reaching distance of South America, with distances shortened by an Isthmian canal soon to be built, with no handicapping traditions to fetter us—throwing off that which has been tried and found wanting, and ever holding fast to that which has been tried and found good—the United States of North America is bound to be the increasingly great and commanding figure of the twentieth century.

Of this new era, of this new trade and commerce, bound to be increasingly greater for years to come, we hope to make this peerless city of New York the great clearing-house. It can be done, and if we are faithful to our trust and vigilant of our opportunity and brave for our duties, it will be done. Fate or destiny or that over-ruling Providence which sways the course of nations has placed us in the path of victory. We have the location, the productive capacity, the creative energy, and it is for us to maintain the virility and integrity of character necessary to make best use of the great forthcoming gifts the gods have prepared for us.

HON. A. B. HEPBURN, of New York: Mr. President and Gentlemen—I not only think the committee of arrangements are entitled to our thanks for the success of this meeting, but they are equally entitled to the thanks of all of us for procuring the presence of the gentleman who has just addressed us. I think Senator Fassett's address was the most profound, the best throughout, the best expressed and by far the ablest address that it has ever been my pleasure to listen to in any of our conventions. And I move you, sir, that we tender to Mr. Fassett a rising vote of thanks for his kindness and courtesy in addressing us to-day.

The motion was seconded from all parts of the hall, and was carried unanimously.

President Bissell: The next order of business is the election of officers. The election will be by ballot.

William Kemp, of Troy: I move that the secretary of the association be directed to cast one ballot for the election of Stephen M. Griswold, of Brooklyn, for president of this association for the ensuing year.

The motion was seconded and carried.

President Bissell: The secretary will cast the ballot of the association for Stephen M. Griswold, for president.

Secretary Carpenter: I have to report, Mr. President, that I have cast the ballot of the association as directed.

President Bissell: I declare Stephen M. Griswold duly elected president of the association, and I ask him to come forward and take the gavel.

President-Elect Griswold: Gentlemen, while I appreciate the compliment of being selected as your president for the coming year, I am fully aware of the responsibility which I assume in accepting the position. It should be the ambition of the president of this association to promote the friendship, unity and prosperity of all its members. Having been one of the founders of the New York State Bankers' Association I have seen it grow in a few years from infancy to full manhood. At the present time I think nearly every State and Territory have their bankers' associations. As a result of this organization the banks of the United States are bound together in one common interest, making a power that will at all times stand like a wall against financial panic and ruin. The most important organization in the country is our system of banking; all classes as well as the Government depend upon it. The farmer, the manufacturer, the merchant and the artisan all require the assistance of banks to successfully conduct their business. In fact, if the banking business is wisely and carefully managed it is the foundation of the prosperity of the people. It has grown in magnitude and power until at the present time it controls the commerce of the world. I wish you all a prosperous year, not only for yourselves but for this association. I will endeavor to do all in my power to make the coming year one of success. I thank you for the honor which you have conferred upon me.

President Griswold: The election of the vice-president is next in order.

On motion of Seymour Dexter, of Elmira, the secretary was instructed to cast one ballot for Charles H. Sabin, for vice-president.

T. Ellwood Carpenter, of Mt. Kisco, was re-elected secretary, and E. E. Johnson, of Glens Falls, was elected treasurer.

Treasurer Johnson: Gentlemen, I highly appreciate the honor conferred upon me, and I shall endeavor to use every effort to fill the position to your entire satisfaction as well as to my own credit. I hope that I may be more intimately associated with my friends here than I have ever been before. Being always anxious to keep in with the procession, I might possibly be tempted to make an unauthorized use of some of your funds, but I trust that should my balance be in the red ink column I will have enough friends around to come to my rescue, and among them I shall rely on my friend and worthy predecessor, Frank E. Howe, of Troy.

Delegates to the convention of the American Bankers' Association were chosen as follows:

Delegate at large, A. D. Bissell, Vice-President People's Bank, of Buffalo; S. M. Clement, Marine Bank, Buffalo; A. M. Holden, Bank of Honeoye Falls; B. W. Wellington, of Q. W. Wellington & Co.'s Bank, Corning; John R. Van Wagenen, President First National Bank, Oxford: Ledyard Cogswell, President New York State National Bank, Albany; David Cromwell, President First National Bank, White Plains; Hiram R. Smith, President Bank of Rockville Centre.

President Griswold: As we are approaching the end of our session I will

merely say that there are many questions that are coming before us and which will be solved in the course of time. The benefits that come to us from these conventions, the getting together and the discussing of various subjects, are very great. This question of the admission of trust companies as members of this association is one matter that I have heard a great many of our members talking about lately, and it is a question that we will have to give attention to, and I have no doubt the council of administration will take it up. Then another question is that of paying interest on balances. There is plenty of work that we can do, but of course it takes time to accomplish everything.

Since our last meeting, at Buffalo, as you are all aware, President McKinley was stricken down by the hand of an assassin. It seems to me proper that a resolution should be incorporated in our proceeding having reference to that lamentable occurrence, and that a copy of it should be forwarded to Mrs. McKinley.

WILLIAM KEMP: I move that the secretary be authorized to prepare a proper minute, incorporate it in our proceedings, and send a copy of it to the widow of President McKinley.

This motion was seconded and carried.

F. B. SCHENCK, of New York: I move that we hereby express our sincere thanks to retiring President Bissell for his services as president of the association during the last year.

JAMES G. CANNON, of New York: I second that motion.

PRESIDENT GRISWOLD: In putting the question upon this motion I desire to say that I feel under great obligation to Mr. Bissell. Indeed, I have learned to love him since I met him more and more. I call for a rising vote upon this motion. (Carried.)

SEYMOUR DEXTER: We are under obligations to the New York Clearing-House for their courtesy in allowing us the use of this beautiful room in which to hold our convention. I therefore move that the thanks of the association be extended to the New York Clearing-House Association for its courtesy and hospitality to us in this respect.

The motion was seconded and carried.

PRESIDENT GRISWOLD: Is there any further business? If not, I declare the ninth annual convention of the New York State Bankers' Association adjourned without date.

LIST OF DELEGATES AND VISITORS REGISTERED.

GROUP I.

J. H. Bradish, Bank of Batavia, Batavia.

E. E. McDougal, Pres. Bank of Buffalo, Buffalo.

R. W. Clark, Cas. Medina Nat. Bank, Medina.

D. W. Tomlinson, Pres. Bank of Batavia, Batavia.

S. H. Knox, director Columbia Nat. Bank. Buffalo.

F. W. Crandall, Cas. Nat. Bank of Westfield, Westfield

J. H. Lascelles, Cas. Marine Nat. Bank, Buffalo.

W. S. Housel, Cas. State Exchange Bank, Holley.

S. Parker, Pres. First Nat. Bank, Batavia.

G. E. Merrill, Cas. Bank of Holland, Holland.

W. B. Jackson, Pres. Bank of Holland, Holland.

E. V. Shaever, director Citizens' Nat. Bank, Springville.

W. F. Huyck, Pres. Bank of Leroy, Leroy.

W. F. Smallwood, Pres. Citizens' Bank, Leroy.

H. O. Wait, Pres. First Nat. Bank, Salamanca.

F. E. Johnson, Cas. Bank of Suspension Bridge, Niagara Falls.

F. E. Bard, Asst. Cas. Bank of Gowanda, Gowanda.

D. C. Pierce, Pres. Bank of Hamburg, Hamburg.

J. A. Kloepfer, Asst. Cas. Bank of Hamburg, Hamburg.

George F. Rand, Pres. Columbia Nat. Bank, Buffalo.

H. B. Ward, Asst. Cas., Leroy Nat. Bank, Leroy.

GROUP II.

M. S. Sanford, Vice-Pres. and Cas. Geneva Nat. Bank, Geneva.

A. M. Holden, banker, Honeoye Falls.

G. C. Gordon, Vice-Pres. First Nat. Bank, Brockport.

F. W. Whitwell, Cas. First Nat. Bank, Geneva.
H. M. Samuel, of Hamlin & Co., East Bloomfield.
L. Gordon, Pres. First Nat. Bank, Brockport.
H. C. Brewster, Pres. Traders' Nat. Bank, Rochester.
J. C. Rodenbeck, Cas. Merchants' Bank, Rochester.
Charles P. Ford, director Traders' Nat. Bank, Rochester.
W. S. Scott, Cas. Bank of Wayne, Lyons.
O. F. Thomas, Pres. Bank of Wayne, Lyons.

Group III.

C. Hunter, State Bank of Belmont, Belmont.
E. O. Eldredge, Cas. Owego Nat. Bank, Owego.
W. H. Crandall, Pres. University Bank, Alfred.
Charles Adsit, Pres. First National Bank, Hornellsville.
E. C. Brown, Vice-Pres. Citizens' Nat. Bank, Wellsville.
G. B. Wilcox, Cas. First Nat. Bank, Wellsville.
E. E. Hamilton, Cas. University Bank, Alfred.
J. C. Leggett, Pres. Cuba Nat. Bank, Cuba.
E. W. Clifford, attorney First Nat. Bank, Owego.
B. W. Wellington, Vice-Pres. Q. W. Wellington & Co.'s Bank, Corning.

Group IV.

L. J. Clark, Cas. Pulaski Nat. Bank, Pulaski.
G. Kellogg, Cas. Citizens' Nat. Bank, Fulton.
G. W. Hannahs, Cas. Farmers' Nat. Bank, Adams.
J. H. Tripp, Pres. First Nat. Bank, Marathon.
J. C. Knowlton, Pres. Jefferson County Nat. Bank, Watertown.
F. A. Bosworth, Asst. Cas. First Nat. Bank, Utica.
R. J. Donahue, Cas. Nat. Bank of Ogdensburg, Ogdensburg.
F. J. Peck, Cas. Nat. Bank of Cortland, Cortland.
G. B. Massey, Vice-Pres. Jefferson County Nat. Bank, Watertown.
H. H. Waite, Cas. Citizens' Nat. Bank, Adams.
C. A. Peck, Cas. First National Bank, Mexico.
D. A. Avery, Cas. Second Nat. Bank, Utica.
G. B. Sloan, Pres. Second Nat. Bank, Oswego.
G. K. Betts, Cas. American Exchange Nat. Bank, Syracuse.
N. P. Wardwell, Cas. Watertown Nat. Bank, Watertown.
Geo. J. Mager, Pres. Second Nat. Bank, Cortland.
E. Alley, First Nat. Bank, Cortland.
E. S. Tefft, Cas. First Nat. Bank, Syracuse.
W. I. Taber, Cas. Herkimer Nat. Bank, Herkimer.
A. W. Haslehurst, Pres. First Nat. Bank, Herkimer.
A. W. Haslehurst, Vice-Pres. First Nat. Bank, Frankfort.

Group V.

William Kemp, Pres. Mutual Nat. Bank, Troy.
W. H. Rainey, Cas. Nat. Union Bank, Kinderhook.
F. N. Mann, Jr., Mutual Nat. Bank, Troy.
F. C. Haviland, Cas. Farmers' Nat. Bank, Hudson.
M. D. Herbs, director Farmers' Nat. Bank, Hudson.
Albert Parker, Cas. Nat. Bank of Coxsackie, Coxsackie.
E. J. Hussey, Cas. Nat. Commercial Bank, Albany.
H. N. Kirkland, Asst. Cas. Nat. Commercial Bank, Albany.
J. R. Van Wagenen, Pres. First Nat. Bank, Oxford.
Charles T. Beach, Cas. Nat. Bank of Sandy Hill, Sandy Hill.
G. R. Wilson, Cas. Nat. Bank of Cohoes, Cohoes.
J. L. Newman, Pres. Nat. Bank of Cohoes, Cohoes.
W. Minshull, Cas. Adirondack Nat. Bank, Saranac Lake.
M. F. McGarrahan, Cas. People's Nat. Bank, Malone.
G. P. Keese, Pres. Second Nat. Bank, Cooperstown.
J. J. Gallogly, Cas. Nat. Exchange Bank, Albany.
C. C. Cheney, director People's Nat. Bank, Hoosick Falls.
D. Runkle, Cas. People's Nat. Bank, Hoosick Falls.
H. Colvin, Cas. Nat. State Bank, Troy.
E. L. Wilmine, Cas. Mohawk Nat. Bank, Schnectady.
E. Wells, Cas. People's Bank, Johnstown.
Thoman Kerley, Cas. Ballston Spa Nat. Bank, Ballston Spa.
J. H. Burke, director Ballston Spa Nat. Bank, Ballston Spa.
S. Mosher, Cas. Canajoharie Nat. Bank, Canajoharie.
F. W. Hewitt, Cas. Granville Nat. Bank, Granville.
E. T. Johnson, Cas. First Nat. Bank, Glens Falls.
G. D. Smith, Cas. Nat. Herkimer County Bank, Little Falls.
J. J. Gilbert, Vice-Pres. Nat. Herkimer County Bank, Little Falls.
F. S. Sexton, Cas. Fulton County Nat. Bank, Gloversville.
T. C. Turner, Cas. First Nat. Bank, Cooperstown.
S. S. North, North & Co., Unadilla.
G. I. Wilber, Pres. Wilber Nat. Bank, Oneonta.
J. H. De Ridder, Cas. Citizens' Nat. Bank, Saratoga Springs.
C. M. Throop, Pres. Schoharie County Bank, Schoharie.

GROUP VI.

H. C. Ver Valen, Cas. People's Bank, Haverstraw.
C. Shook, Cas. First Nat. Bank, Red Hook.
J. T. Smith, Pres. First Nat. Bank, Fishkill-on-the-Hudson.
B. S. Smith, director First Nat. Bank, Fishkill-on-the-Hudson.
C. Ryder, Pres. Putnam County Nat. Bank, Carmel.
J. Reardon, Pres. Bank of Millbrook, Millbrook.
J. D. Judson, Pres. First Nat. Bank, Rhinebeck.
C. F. Van Inwegen, Pres. First Nat. Bank, Port Jervis.
W. Schickle, Cas. Fallkill Nat. Bank, Poughkeepsie.
H. M. Lester, Pres. Nat. City Bank, New Rochelle.
W. H. Doty, Pres. First Nat. Bank, Yonkers.
W. D. Baldwin, Vice-Pres. First Nat. Bank, Yonkers.
R. G. Brewer, Cas. First Nat. Bank, Mamaroneck.
Bradford Rhodes, Pres. First Nat. Bank, Mamaroneck.
Jacob Lefever, Pres. Huguenot Nat. Bank, New Paltz.
P. J. Elting, Vice-Pres. Citizens' Nat. Bank, Yonkers.
C. A. Chapman, Pres. Nyack Nat. Bank, Nyack.
J. M. Gesner, Cas. Nyack Nat. Bank, Nyack.
David Cromwell, Pres. First Nat. Bank, White Plains.
John C. Cromwell, First Nat. Bank, White Plains.
G. Hutton, director Nat. Bank of Rondout, Kingston.

GROUP VII.

S. R. Smith, Pres. Far Rockaway Bank, Far Rockaway.
H. L. Crandell, Vice-Pres. Bank of Jamaica, Jamaica.
W. G. Miller, director Freeport Bank, Freeport.
E. A. Walker, Pres. Seventeenth Ward Bank, Brooklyn.
S. M. Randall, director Seventeenth Ward Bank, Brooklyn.
E. M. Davis, Cas. Bank of Port Jefferson, Port Jefferson.
H. R. Smith, Cas. Bank of North Hempstead, Port Washington.
F. A. Kline, Cas. First Nat. Bank, Port Jefferson.
H. S. Mott, Pres. Bank of Northport, Northport.
C. S. Mott, Cas. Bank of Northport, Northport.
P. E. Bonner, Cas. North Side Bank, Brooklyn.
John A. Potter, Pres. Patchogue Bank, Patchogue.
J. C. Mills, Vice-Pres. Patchogue Bank Patchogue.
F. H. Palmer, Cas. Peconic Bank, Sag Harbor.
H. F. Sammis, Vice-Pres. Bank of Huntington, Huntington.

GROUP VIII.

H. B. Fonda, Asst. Cas. Nat. Bank of Commerce, New York.
I. C. Gaylord, Cas. Fourteenth Street Bank, New York.
C. J. Beard, Cas. Thirty-Fourth Street Nat. Bank, New York.
J. G. Cannon, Vice-Pres. Fourth Nat. Bank, New York.
C. H. Stout, Vice-Pres. First Nat. Bank, New York.
W. L. Moyer, Pres. Nat. Shoe and Leather Bank, New York.
W. S. Paine, Pres. Consolidated Nat. Bank, New York.
C. L. Robinson, Cas. Western Nat. Bank, New York.
H. Chapin, Jr., Vice-Pres. Nat. Bank of North America, New York.
R. L. Edwards, Pres. Nat. Bank of North America, New York.
L. E. Pierson, Vice-Pres. New York Nat. Exchange Bank, New York.
C. A. Sackett, Vice-Pres. Mutual Bank, New York.
J. C. Van Cleef, Nat. Park Bank, New York.
A. J. McGrath, Bank of New York Nat. Banking Association, New York.
W. H. Porter, Vice-Pres. Chemical Nat. Bank, New York.
H. P. Davison, Vice-Pres. First Nat. Bank, New York.
S. A. Crummey, Nat. Bank of Commerce, New York.
John I. Cole, Asst. Cas. Merchants' Exchange Nat. Bank, New York.

VISITORS.

F. M. Kirby, director Second Nat. Bank, Wilkes-Barre, Pa.
C. S. Woolworth, director People's Bank, Scranton, Pa.
Anthony Stumpf, "American Banker."
E. B. Tustin, Cas. First Nat. Bank, Bloomsburg, Pa.
Al. White, "Banking Law Journal."
A. H. Auge, "Financier."
W. H. Walker, Pres. Buffalo Clearing-House Association.
M. L. Willitts, Jr., Asst. Cas. Corn Exchange Nat. Bank, Philadelphia.
F. H. Hooke, "Financial Age."
George Stephens, Pres. Southern States Trust Company, Charlotte, N. C.
John M. Miller, Jr., Cas. First Nat. Bank, Richmond, Va.
Edwin Goodall, Treas. Bankers' Money Order Association, New York.
James R. Branch, Sec. American Bankers' Association, New York.

THE SILVER BASIS IN MEXICO.

PROPOSED SUBSTITUTION OF GOLD AS THE STANDARD OF VALUE.

Senor Don Enrique C. Creel, a prominent banker of Chihuahua, Mexico, and for many years a student of the monetary affairs of that country, has the following to say in regard to the existing silver basis and the proposed adoption of the gold standard in Mexico:

DECLINE IN THE PRICE OF SILVER.

When silver was worth sixty cents gold a troy ounce in the United States and the exchange on gold was in this country at not over 100 per cent. premium, such a condition of things was satisfactory to Mexico, because the exchange was not considered as detrimental to the development of the country nor to the railroad industries, commerce, banking, mining and foreign trade. In fact, a premium of 100 per cent. on gold acted as a protection on home industry and stimulated the exportation of agricultural products, as heniquen, coffee, fruits, etc.

The general conditions of the country had adjusted themselves to this rate of exchange, no special branches of business appear to suffer, and all to the contrary, the development was healthy and sound throughout the country.

One of the reasons why the price of silver at sixty cents an ounce, or exchange at 100 per cent., was giving satisfaction to the country, was because silver had been steady for several years and the fluctuations were not very large, on which account everything in this country had been adjusted and regulated to that financial standard.

Since the price of silver started to decline and since its New York quotation has reached fifty-one cents an ounce and exchange has advanced to 136 per cent. premium, I believe that the country has started to suffer the consequences of the decline in the price of silver.

I believe that at present, more or less, all of the branches of business are suffering, not only the extraordinary depreciation in the money of the country and of silver bullion, which is one of the principal products of the country, but the uncertainty as to what the value of silver will be in the future is something which is doing a great deal of harm and which discourages the enterprising people, specially so in large transactions of an international character.

When you have to figure on the price of silver as a basis for the payment of gold dividends, or for the payment of gold interest on bonds, or for the payment of the principal, then you have before you a very dangerous and disagreeable proposition.

As the business relations of Mexico with gold countries of both continents are growing all the time, I believe that Mexico will be forced, by the pressure and importance of her financial conditions, to accept the gold basis.

In conclusion, I will say that the decline in the price of silver is at present hurting the general interests of Mexico, and the country is suffering on account of this decline.

HOW THE SILVER STANDARD AFFECTS AGRICULTURE.

The development of agriculture in this country has two natural tendencies: Home consumption. Exportation.

It is necessary to deal independently with these two propositions, because while the price of silver is almost indifferent to the first branch, it is of great importance to the second.

When the expenses, to produce agricultural products, are made in silver, when the products are sold for silver, and the profits or dividends are paid in silver, the transactions have throughout the peculiar characteristics of interior transactions, started, developed and located in the country, with no connection whatever with foreign trade or with the price of silver. This is the natural condition of things as regards the home consumption of agricultural products. The only exception to this rule is when the farmers have to compete with foreign products, as is the case every year with cotton, and as it happens from time to time, about every five years, when corn and wheat have to be imported from the United States.

As a rule, the farmer who does not export his products to foreign countries is absolutely independent of the price of silver. Whether silver is worth forty cents an ounce or whether

silver is worth seventy-five cents an ounce, his products are raised at the same cost, they are sold at the same cost, and his profits are the same in Mexican dollars. As a rule, the Mexican farmer consumes but very little of foreign goods, so that the purchasing power of the Mexican dollar for home transactions is about the same; or if this is not exactly the case, he does not feel or give any importance to the loss of the purchasing power of the Mexican dollar, which comes gradually and is understood to be for other reasons independent of the ratio of silver as regards gold.

While this is the condition of things for home consumption of agricultural products, it is altogether different as regards exportation.

The farmer who raises products for exportation is very much interested in the high rate of exchange, or in the low price of silver.

His expenses are paid in silver, and his products are sold for gold. When the gold is sold at a high rate of exchange his profits increase in proportion.

Of course this present condition of things will be changed when the evolution of wages may come. Just as soon as the farmer has to pay two dollars in silver wages or one dollar in gold, then the problem as to the price of silver will be indifferent to the farmer dealing in the exportation of agricultural products to foreign countries and for other reasons he would favor the gold standard; but for the time being, the low price of silver is a constant premium and a strong protection to his business.

The Mining Industry.

Mining has been the great source of prosperity for Mexico. About seventy-five per cent. of the yield of the mines of Mexico is silver. In the past the proportion was greater, perhaps ninety-five per cent.

While mining was prosperous and well developed, other branches of public and private wealth were not as important, and the Government and the business community depended very much upon the yield of the mines.

Under the condition of things it was absolutely impossible for Mexico to make any change in its currency. For this reason we are on the silver basis, and as this financial condition of things has a history of over 300 years and the public and private affairs have been adjusted to this medium of circulation, which is the medium and natural connection between all branches of business and its divisions and subdivisions, you will realize that it is nothing but natural that Mexico should be to-day on the silver basis.

In late years, since 1880, a financial evolution is being developed, which, in my opinion, will bring about the gold standard in Mexico, after twelve or fifteen years.

Mining has been and is to-day one of the great resources of this country. We are mining for silver, gold, lead zinc, copper and iron. The total value of our mining products at present represent about $100,000,000 per annum.

The cost of mining is represented by two principal factors: wages and supplies. What I mean by supplies is machinery, explosives, steel, quicksilver, blue-stone, etc. The wages represent about eighty-five per cent. of the cost and the supplies about fifteen per cent.

We have free coinage in Mexico and the miner is authorized to introduce to the mints all of the silver which he produces. When the miner exports the ores or the bullion, he sells his product for gold, but exchanges the gold for silver and receives the benefit of the exchange. In other words, the miner will receive the same value in Mexican currency per ton of ore, whether silver, gold or copper, if the ore is treated or smelted in Mexico, or whether it is exported or sold for gold. The miners' expenses are in silver and his products are sold for silver, or for gold which is exchanged for silver. His profits are in silver and he is only interested as regards the price of exchange, or in other words as to the price of silver for what he has to pay for supplies; or if it is a foreign corporation, for dividends which will have to be paid in gold.

Both the item of supplies and the item of dividends are small, as regards the item of wages, and this is the reason why mining for silver will continue in Mexico as long as Mexico is on the silver basis, even if the price of silver should fall to forty cents an ounce.

When every mine producing silver in gold countries may have to be closed down for reason of the low price of silver, in Mexico mining will continue, and not one of our silver mines will be closed, if their yield continues to be on an average value per ton of what it is to-day.

This argument is very strong in favor of silver, as regards mining, and should be given full consideration and study, because, although it is clear to us in Mexico, who are dealing with this silver proposition, yet I have noticed as the condition of things in gold countries is altogether different, concerning mining for silver, the situation of Mexico is not well understood by foreigners.

Country not Ready for the Gold Standard.

Whether the products of the mines of Mexico are sold for gold or whether they are sold for silver, the result is the same for the Mexican miner, except as regards supplies. In other

words, the question of wages is the radical element to give a solution to this problem. I do not believe that under the gold basis you could reduce very much the wages which are earned to-day by miners. This being the case, if we should accept the gold standard, the cost of mining will be duplicated, from the fact of wages being paid in gold, and it may be so expensive as to produce a loss instead of a profit. The moment that you destroy the profit, you destroy the source of prosperity and the mines will have to be closed down. The loss to the country would be immense.

For this reason I do not believe that the country is ready to make the change. The economical evolution has not been developed sufficiently to allow Mexico to adopt the gold standard. It will be necessary that other developments should take place. Developments in agriculture, so that the price of corn and wheat may be lower; developments in railroads, so as to have lower rates to the mining camps; mechanical developments, so as to have modern machinery; developments in coal and oil, so as to have cheap power and other advantages; and besides, other improvements, so that the loss in wages, when paid in gold, may be compensated by or counterbalanced with lower rates of freight, less expense in mining on account of machinery, less expense in the treatment and smelting of the ores and also lower wages on account of the low price of corn and wheat and the increase in the purchasing power of the gold currency as regards food, clothing and other commodities. Not until this evolution has been perfected could the change from silver to gold be made without a very serious blow to the mining interests of Mexico.

THE RAILROAD INTERESTS.

The railroads of this country have been built with foreign capital. The interest and dividends have to be paid in gold. Besides, the great bulk of running expenses has to be paid in gold, because fuel is the principal item of expense and coal is being imported from the United States for the consumption of railroads.

On the other hand, the revenues of the railroads are all in silver and every drop in the price of silver is a severe blow to the interests of the railroads. I have been told that the Mexican Central Railway loses $100,000 per annum for every one cent of reduction per ounce in the price of silver. Beyond any doubt the railroads of Mexico are suffering a great deal on account of the decline in the price of silver. It will favor their interests very materially if Mexico should ever go upon the gold basis. In this branch of wealth there is only one side to the question, and it is absolutely in favor of the gold standard.

PROSPEROUS CONDITION OF BANKING.

The banks of Mexico have been established with Mexican capital: except in the case of the National Bank of Mexico, where some European capital is interested. Also in the Bank of London and Mexico there is some English capital. Outside of these two cases all of the other banks have been established with Mexican capital. The investment has been made in silver, the profits and expenses are in silver, the dividends are paid in silver, and as the whole system is resting on the silver basis, I must say that the banking interests of Mexico are not suffering on account of the decline in the price of silver. The fluctuations in the price of silver do not injure the banks of Mexico, because the banks are not owing money to gold countries, and the speculation in exchange is a source of revenue to the banks. The banks of Mexico are clearing at present a profit of over $1,000,000 per annum out of the exchange business.

For the time being, and under the present condition of things, the banks do not suffer; but at the same time I must say that the banks of Mexico are not allowed to take advantage of their connections with the United States and Europe and to enlarge their business by using foreign capital, because it would be very dangerous to contract loans payable in gold. The rate of interest in the United States and Europe is lower than in Mexico and the banks could increase their profits by either receiving deposits in gold, or by borrowing money in gold countries if we were on the gold basis; something which cannot be done under the silver basis.

On the other hand, the foreigners who buy the stock of our banks have to make a gold investment against silver securities. We are on the safe side in Mexico; but the foreigners have to accept the speculation and take chances as to the price of silver. I know of cases where the investment in buying the stock of Mexican banks was a very sound investment. Such stocks have been paying dividends at the rate of ten per cent. per annum and the value of the stock has advanced in Mexico. Notwithstanding all of these favorable conditions, the American investor has lost money on account of the decline in the price of silver, because if he were to liquidate his investment he could not realize to-day in gold the same amount which he invested twelve months ago. For this reason the purchase of Mexican bank stocks is not as attractive to the American and to the European investor as it should be, and the stock of the banks does not receive the benefit of the advance in the price which would follow if we were on the gold basis.

Besides, the gold countries do not have very much confidence in the business of silver countries. The real condition of things is not well understood by business men who favor the gold standard, and there is also a prejudice against silver: so that altogether the credit of the Mexican banks in gold countries is not as high as it should be, taking into consideration the clean and splendid record of the Mexican banks, and the sound moral character of the Mexican business community.

For all of these reasons, I am of the opinion that the gold standard would favor banking in Mexico.

Commerce and the Silver Basis.

The mercantile business of Mexico has to be divided, as regards silver and gold, into two branches: national products and foreign products.

For the commerce of national products the low price of silver and its fluctuations do not show any inconvenience. The goods are produced on the silver basis and they are purchased and sold on the silver basis. The profit and loss is also for silver. The system being a silver one through and through, there is no inconvenience on account of silver, whatever its value may be.

This is not the case, however, with foreign goods. Foreign goods have to be purchased for gold, the freights to the limits of Mexico have to be paid in gold, and the goods have to be sold afterwards for silver. The merchant has to take chances on exchange, not only at the time of buying and selling the goods, but also at the time of making the collections for goods sold on credit, which collections are made all the way from four, six to eight months' time, and also at the time of paying for the goods when they are purchased on credit. It is a speculation which is not exactly on business lines with mercantile principles, as the merchant has to deal with unknown factors and has to accept a speculation which is not agreeable to a conservative man.

While to deal in national products it would the same whether on the silver or on the gold standard, yet as regards foreign goods it would be better for the commerce of Mexico to have the gold standard. The merchants could do a more safe and legitimate business and their credit would be strengthened in Europe and the United States.

Taking everything into consideration, I believe that it is better for the commerce of Mexico to be on the gold basis.

National Industries—Manufacturing.

The fact that wages and other expenses connected with manufacturing are paid in silver, is a protection in favor of the national industries of Mexico. The manufactured products have to be sold in competition with the similar foreign goods. The condition of things in Mexico as regards manufacturing is not very favorable, because of the high price of raw material, the high price of fuel and the lack of transportation in some places and high rates of freight in others. For all of these reasons the Mexican Government has had to protect national industries by high tariffs on foreign goods. Besides this protection, the low price of silver is a second protection, as the wages and other running expenses are paid in silver.

As the basis of manufacturing in Mexico to a great extent is an artificial one, it could be regulated by the same artificial means, if Mexico should go on the gold standard, by adjusting the tariffs to meet the requirements of the national industries so as to keep them alive. For this reason I have no great fears as to the future development of national industries and manufacturing, if Mexico should adopt the gold basis. After all, it might benefit this branch of trade on account of the help of foreign capital which could be invested in this line of business more freely than is being done under the silver basis.

Effect of a Change of Standard on the Value of Real Estate.

In my opinion the value of land and real estate would remain about the same whether on the silver or on the gold basis, and for this reason the owners of land and real estate would be very largely benefited if Mexico should go upon the gold basis. This branch of wealth has, in my opinion, only one side, and that is to receive large benefits out of the financial evolution which the gold standard is to realize in Mexico. For this reason my opinion is that land and real estate ownership is decidedly in favor of gold.

Investment of Foreign Capital.

It is beyond any question that for foreign capital it will be very much to its advantage to have in Mexico the gold standard. Investments would be better protected. The whole combined system of business would have more power and stability. The risky and speculative form of investments would disappear. The foreign capital could figure, with good reason as to the results, in investments, in Mexican Government bonds, railroad bonds, mortgage bonds and others. The market for Mexican securities could be easily opened in the United

States and Europe and foreign capital would flow into Mexico very freely; because, independent of the silver basis, other conditions of development and prosperity are very satisfactory in the Mexican Republic.

THE PROBLEM OF WAGES.

This is one of the most delicate, complex and difficult propositions of the problem. Will the value of wages be reduced if Mexico goes upon the gold basis? In my opinion it is not possible as to common labor, because wages are very low at present in Mexico. Skilled labor and salaries of employees might be reduced somewhat, influenced by the increased purchasing power of the gold money; but when it comes to common labor, which at present is on an average of about thirty-seven cents per day on the farms, and about fifty cents for other labor, I do not see very clearly how the wages could be reduced. One of the difficulties is that common labor does not consume any foreign goods, and as the price of national products will remain about the same, whether on the silver or on the gold basis, I cannot see how the wages could be reduced.

On the other hand, would it be to the interests of Mexico to continue on the system of low wages? As long as this system continues in Mexico I do not see how we could draw any immigration, and if Mexico wants to make more rapid progress than heretofore, strong efforts should be made to establish a current of immigration.

While some kinds of business will have to suffer on account of high wages, or if wages should have to be paid in gold, yet I am of the opinion that it would be better for the change to take place and to improve the present condition of our laboring classes. Let other business suffer somewhat and find the way of compensation. Compel our laboring classes to work more. Give them better food, more strength, more nerve, more education, more ambition, better wages, and compel them to increase the ratio of labor performed.

As I have said before, this problem is a very complex one and it will take the action of several generations to adjust it. My opinion is that the gold standard will favor the working classes.

THE GOVERNMENT REVENUES.

The revenues of the Federal Government are used for two purposes. First, to pay the running expenses of the Government of the country; and, second, to pay the interest of our foreign debt which is payable in gold. The decline in the price of silver does not favor the Mexican Government in any way; but on the contrary it is an injury, because it requires a larger amount of money in silver to buy sufficient gold to pay the interest on the Mexican gold bonds.

Besides, Mexico being on the silver basis, has not, in the foreign markets, all of the credit which she deserves.

There is some danger as to the revenues of the Federal Government being diminished if some of the branches of public wealth are upset or embarrassed on account of the change of the currency of the country: but as the Government will need less money in gold to carry on its expenses, I am of the opinion that there will be a compensation and that after a few years everything will be regulated by itself. The Mexican Government will receive great benefits as regards its revenues on account of the increase in the volume of business and the less expense required to pay the interest of the national debt, which debts could all be consolidated, perhaps at the rate of four per cent. per annum. Taking everything into consideration, I believe that the gold standard will favor the revenues of the Government.

THE BALANCE OF TRADE.

If Mexico should accept the gold basis, how could the balance of trade be paid to foreign countries? This is the concentration of the financial problem which I have been studying. The conclusions of this proposition have to decide whether Mexico is, or not, ready to accept the gold standard.

We need at present about $80,000,000 in gold per annum to pay the balance of trade with gold countries. At present we are keeping the equilibrium, or paying our balance of trade, by exporting about one hundred and sixty million of dollars ($160,000,000), silver currency, of our national products—about two-thirds of mineral products and about one-third of agricultural and animal products. The whole of our exportation, whether mineral, agricultural or live stock, rests on the silver basis.

The profit of the business is supposed to be derived from the fact that the expense, or the cost of production, is paid in silver, while all the products of exportation are sold for gold, and the gold is exchanged for silver at a very high premium.

If on account of the change in the currency of the country some of the branches of exportation, viz.: mining, agriculture and live stock, should be paralyzed, then how could Mexico pay its balance of trade? If we were to borrow money from gold countries we could never borrow enough to fulfill our requirements, and even if we could, it would not be wise to do it. The payment of interest on a growing debt would bring about the bankruptcy of the country. We must keep away from this policy.

GOLD STANDARD WILL COME IN TIME.

In my opinion the evolution in favor of gold has started in Mexico. Every year it will advance more and more. The relations with gold countries; the influence of foreign capital; the action of railroads; the credit of the country; the new developments, and the will of the people will demand gold, and finally we will have gold as the standard money of Mexico. I must say, however, that the country is not ready. It would be a very great mistake to make an experiment now, because I fear that failure would follow, and it would delay for many years the betterment as regards the currency of the country, which otherwise will come in a natural way, perhaps after twelve or fifteen years, more or less. If we have the good luck to increase our ratio of prosperity and to have the good sound Government which is helping Mexico in such an important and beneficial way, it may come sooner.

ENRIQUE C. CREEL.

STATE BANKERS' ASSOCIATIONS.

REPORTS OF RECENT CONVENTIONS.

OHIO BANKERS' ASSOCIATION.

The twelfth annual meeting of the Ohio Bankers' Association was held in the Auditorium, Cincinnati, October 15 and 16, President Edwin R. Sharp in the chair. Geo. H. Bohrer, President of the German National Bank, welcomed the bankers to Cincinnati, and David H. Moore, Cashier of the First National Bank, Athens, responded on behalf of the bankers.

President Sharp in his annual address reviewed the work of the association during the past year, commented on the general prosperity of the country, and commended the action of President Roosevelt in ending the coal strike.

S. B. Rankin, secretary of the association, read an interesting report. It showed that last year's total membership of 575 was increased during the current year by the addition of thirty-seven new members, making a present membership of 612, which is a larger number than is reported by any other State, with one exception.

The secretary reported that the banking bill which a special committee of the association submitted to the last Legislature failed to become a law, but that the uniform Negotiable Instruments Law was passed, to go into effect January 1, 1908.

He also reported that the members of the association had subscribed $1,518 to the McKinley memorial fund, in addition to the contributions made through local and other committees. The experience of the association in conducting its own agency for effecting guarantee insurance was reported by the secretary to have been successful.

H. C. Herbig, Cashier of the Commercial Banking Co., Coshocton, presented his report as treasurer of the association, as follows:

Balance on hand October 24, 1901	$3,177.29
Received dues from 602 members	3,010.00
Total	$6,187.29
Disbursements as per vouchers	2,187.68
Balance on hand	$3,999.61

Henry Flesh, President of the Citizens' National Bank, Covington, presented his report as chairman of the executive council. It recommended that the sum of $5,000 be set aside as a protective fund for the purpose of protecting members against loss from the passing of raised checks, forgeries and the securing of money under false pretences. The report also referred to the efforts to secure the enactment of a suitable banking law, and recommended that the committee having this matter in charge be continued. Both these recommendations were subsequently adopted.

I. E. Knisely, President of the Northern National Bank, Toledo, read the report of the committee appointed to secure the enactment of the Negotiable Instruments Law. He reported that the committee's labors had been successful, the new law having been enacted to take effect January 1, 1908. Mr. Knisely said that "of all the efforts of the Ohio Bankers' Association to promote useful measures, none will earn us more honor or better fruit than this."

At the second day's session an interesting address was delivered by Hon. Daniel J. Ryan on "The Consolidation of Corporations." He thought that upon the whole these great consolidations of capital were beneficial, although not entirely without unsatisfactory features. Hon. H. L. Gordon, Lieutenant-Governor of Ohio, spoke on "The Citizen and the City." He emphasized the importance of everyone taking an active interest in local municipal affairs.

Taxation of National Banks—Five Per cent. Redemption Fund.

Milton Jamieson, President of the First National Bank, Batavia, spoke on the taxation of National banks, and the five per cent. redemption fund. He said:

"As the laws now stand, they allow all banks to be taxed on stocks and surplus, in each locality, where they are organized, at the same rate that other property is taxed in each city or village where located.

There are three villages in Ohio where the rate of taxation is six per cent., five villages where the rate is over five per cent., and forty-two villages where the rate of taxation is between four and five per cent. No bank, considering the average of the low rate of interest received, can afford to pay such rates. Hence, there is such a thing as taxing National banks out of existence, and this has occurred in four of these villages. The National Bank Act never contemplated that the rate of taxation should become so great as to prohibit a National bank being formed anywhere in the United States. These banks went into private banks, and it is well known that under our laws a private bank pays but a minimum of taxes on its stock and surplus, in comparison to that which National banks pay in the same locality. The rate of taxation varies so widely—some places six per cent., some five, some four, some three and some as low as two per cent. In some States the full value of the stock is assessed. It was tried on my bank. I kicked, and when it was brought to the attention of Governor Hoadly he said it was an outrage and struck it off.

In view of the wide difference in taxation, my idea is that all the National banks in the United States should be taxed at a uniform rate in every place where they are located, and that the present authority to tax National banks should be changed, and authorize each State, county and municipality to tax them at that rate only on the full amount of their capital and surplus—undivided profits should never be taxed.

As long as the present authority lasts, authorizing the State, county and municipalities to tax National banks, as they are now assessed and taxed, it places it in the power of many municipalities to prohibit National banks from being formed. All these small banks in each village are great aids in transacting the business of the country, and it is the duty of the United States Government to increase them in all parts of the land. The National banking system has engrafted itself so deeply and firmly into the business affairs of this nation that no greater calamity could befall the country than to drive them out of existence. And as it is the soundest and safest system of banking yet devised for the protection of the people who transact business with them, every possible encouragement should be given to have them organized in every village of the nation.

Every person, when he is going into any business, should know what rate of taxes he is to pay, so as to regulate his business accordingly. Under the present system of taxation of National banks, no bank can tell what its rate of taxation will be. Some 600 National banks have been organized under the act allowing banks in villages with $25,000 capital. I am of the opinion that if the amendment be made making the taxation uniform on stock and surplus at the rate of one per cent. in the places where the banks are located, that instead of there being 4,500 National banks in the United States, in less than two years there will be 6,000 organized and doing business.

If the National banks were taxed at a uniform rate on their stock and surplus, the amount of taxes at one per cent. would average about the same in the whole country as it does at this time. Banks are now assessed at about sixty per cent. of their stock, surplus and undivided profits, and in many parts of the country at less than this amount. Hence, I believe the average amount of taxes that National banks would pay, if my suggestion were carried out, would be about the same in the aggregate as is now paid.

I therefore recommend that the National Bank Act be amended so as to give the county, State and municipalities authority to tax their full stock and surplus at the rate of one per cent. in each locality where they are situated.

The National Bank Act requires five per cent. of the circulation of each bank to be deposited with the Treasury Department at Washington, D. C., to redeem circulation that may be sent to the Government. The total amount at this time now on deposit by the National banks amounts to about eighteen million dollars.

I maintain that two per cent. of the circulation of the National banks would be amply

sufficient to redeem the circulation. The bank of which I am President, I believe to be about an average of all the banks of the country. The amount of circulation redeemed by my bank is $750 every two weeks. In less than five days after being notified the gold or greenbacks are back in the Treasury Department, so that out of the $4,000 we have deposited to the five per cent. redemption fund, not over two per cent. is out of the treasurer's account account at any one time—and the average per month is only about one-half of one per cent.

Out of the $16,000,000 to the credit of the five per cent. redemption fund, not over $3,000,000 is in transit out of that fund at any one time. Hence $13,000,000 lies there in the Treasurer's hands as dead money and kept out of circulation. Now, two per cent. of the circulation amounts to about $6,000,000, and $3,00,000, exactly the amount ever in transit, would still be in the hands of the Treasury Department if the law were changed. Why keep this large amount, being $10,000,000, out of circulation when it is doing no good to either the Government or the banks? And as the Government has the first lien on all indebtedness of all the National banks, under no circumstances could the Government be loser by the reduction of the five per cent. redemption fund to two per cent. Besides that, the banks pay the expenses incurred in redeeming this circulation and expressage on the new money sent to the banks."

Delegates to the convention of the American Bankers' Association were chosen as follows:

W. H. Evans, Secretary and Treasurer Dime Savings Bank Co., Akron; A. P. Sheriff, Assistant Cashier Harrison National Bank, Cadiz; Casper H. Rowe, Vice-President Market National Bank, Cincinnati; P. W. Huntington, of P. W. Huntington & Co., Columbus; I. E. Knisely, President Northern National Bank, Toledo; D. A. Coler, Cleveland; Chas. E. Heiser, Cashier Second National Bank, Hamilton; S. D. Fitton, President First National Bank, Hamilton; Dwight Hendrickson, Medina; A. S. Frazer, Cashier Xenia National Bank, Xenia; G. P. Griffith, Vice-President Citizens' National Bank, Cincinnati, and J. C. Reber, Cashier Winters National Bank, Dayton.

Charles L. Robinson, Cashier of the Western National Bank, New York, made an address describing the method of making exchanges at the New York Clearing-House. A brief address was also made by ex-Governor Asa Bushnell.

Resolutions were adopted commending the action of President Roosevelt in ending the coal strike, favoring a more elastic currency, and favoring the repeal of the National Bankruptcy Act. The bankers of Cincinnati were cordially thanked for their hospitable entertainment of the delegates and visitors. I. E. Knisely, President of the Northern National Bank, Toledo, was elected president, and Secretary Rankin and Treasurer Herbig were re-elected. The following members of the executive council were chosen: Geo. W. Sinks, President Deshler National Bank, Columbus; A. B. Voorheis, Vice President German National Bank, Cincinnati; R. W. Firestone, of Firestone Bros., Lisbon.

KENTUCKY BANKERS' ASSOCIATION.

The tenth annual convention of the Kentucky Bankers' Association was held at Paducah, October 15 and 16, George C. Thompson, President of the American-German National Bank, Paducah, presiding. After an address of welcome by John W. Keller, President Thompson delivered his annual address. He recommended that the bankers should take action looking to an appropriate exhibition of the State's resources at the Louisiana Purchase Exposition to be held at St. Louis in 1904; urged the passage of the uniform Negotiable Instruments Act, and suggested that some steps be taken to check the encroachment of the express companies on the business of banking. He also discussed the Fowler bill, and said that he thought it probable that branch banking, in a modified form, was worthy of careful consideration. Upon this point he said:

"There are patriots among the bankers as in all other honorable vocations, and they will not allow their temporary positions, however lucrative, to stand in the way of their love for

the fatherland. If, after a careful analysis and thorough investigation, they conclude that their banks would be more useful to their communities as branches of larger institutions, they will not hesitate to advocate branch banking. Of course, I refer to such a system of branch banking as will not bring about a money trust or result in withdrawing the money from local communities to metropolitan centers for the purpose of speculation, but to such branch banking as is localized and as will keep the money when needed in the communities where it is owned and where it belongs.

That additional legislation is demanded by the whole country is proven by the position taken by every writer of note on finance. There seems to be no difference of opinion as to this, but what character of legislation is needed, and to what extent it should go, are subjects that are agitating the minds of many interested people. It seems to be conceded that an emergency circulation is essential—one that will provide against acute stringencies and that can be retired when its necessity ceases.

During the past few years of unexampled prosperity, there have been few interruptions to our rapid progress in the accumulation of wealth and the enlargement of our trade in every direction. In the meantime hosts of small banks have sprung into existence, no doubt in answer to legitimate requirements. In many instances they have been the means of developing the natural resources of the tributary country, and are ably managed and will weather any financial storm that is likely to come; yet, taken as a whole, I very much fear that these small institutions in times of distress and panic will succumb to the inevitable, and from their collapse may arise still greater distress and panics.

With this view of the case it does appear that in most instances these small institutions might serve their communities equally as well—and probably better—were they branches of large banks. Their managers would feel a security which they do not at present know, and their customers would unquestionably feel a much greater degree of security.

I therefore ask in all seriousness if all other things can be arranged to advantage, would it not be better to operate these small banks as branches of large ones?

The future will surely bring to us lean years and panics—times which try the souls of bankers, and instead of these managers piloting crafts through such breakers unaided would they not prefer to know that if needed the ample assistance of a large bank awaited them?"

An address was made by S. K. Sneed, Cashier of the Henderson National Bank, vigorously opposing the Fowler bill. He thought that the elasticity of the currency would be greatly increased by permitting National banks with a certain per cent. of surplus to issue an emergency circulation subject to a five per cent. tax.

Frank O. Watts, Cashier of the First National Bank, Nashville, Tenn., spoke on "The Trend of Banking." Col. J. D. Powers, President of the National Trust Co., Louisville, offered a resolution pledging the support of the association to the movement for securing an exhibition of the State's resources at the Louisiana Purchase Exposition to be held at St. Louis in 1904. This resolution was carried unanimously.

At the second day's session Col. Powers spoke on the best methods for increasing the usefulness of the association. His suggestions were well received, and some of them are to be embodied in a resolution to be presented at the next annual meeting.

S. K. Sneed, Cashier of the Henderson National Bank, was elected president; Isham Bridges, Manager of the Louisville Clearing-House Association, was re-elected secretary, and E. W. Hays, Cashier of the National Bank of Kentucky, Louisville, was re-elected treasurer.

NEBRASKA BANKERS' ASSOCIATION.

The sixth annual convention of the Nebraska Bankers' Association was held at Omaha, October 2 and 3.

United States Senator J. H. Millard, President of the Omaha National Bank, made the address of welome, and S. H. Burnham, President of the First National Bank, Lincoln, responded for the bankers. President Post then delivered his annual address, reviewing the work of the association in the past year. The report of Secretary Gould showed a paid membership of 236.

A committee reported on the work of affording bonds and guarantees through the agency of the association.

Ex-Comptroller Dawes, President of the Central Trust Company of Illinois, Chicago, spoke against branch banking and in favor of an emergency circulation.

J. T. Trenery, President of the Farmers' National Bank, Pawnee City, delivered an address on the subject of "Bankers' Associations and Their Broadening Influence." Henry W. Yates, President of the Nebraska National Bank, Omaha, was to have read a paper on "Trust Companies," but was unable to be present. Edwin Jeary, President of the First National Bank, Elmwood, spoke in favor of the Negotiable Instruments Law. Addresses were also delivered by F. Kuenneth, Cashier of the Union State Bank, Harvard, on "Express Money Orders," and by Charles F. Bentley, Cashier of the First National Bank, of Grand Island, on "Fidelity Bonds," and by J. A. S. Pollard, Cashier of the Fort Madison (Ioa.) Savings Bank, on "Trusts and Combinations," by J. A. Reichenbach, Cashier of the Rising City Bank, on "Branch Banking," and by E. Royce, of Lincoln, on "The Growth and Financial Independence of Nebraska Banks."

Resolutions were adopted against the passage of the Fowler bill.

The following officers were chosen: President, S. H. Burnham, President First National Bank, Lincoln; vice-president, John B. Dinsmore, President Sutton National Bank, Sutton; secretary, H. R. Gould; treasurer, F. T. Hamilton, Assistant Cashier Merchants' National Bank, Omaha.

INDIANA BANKERS' ASSOCIATION.

The sixth annual convention of the Indiana Bankers' Association was held at Indianapolis, October 22 and 23. In his annual address President Powell favored an emergency circulation, adopting the suggestions made by ex-Comptroller Hepburn in his recent address before the Pennsylvania Bankers' Association (published in the October issue of the MAGAZINE, p. 543).

C. O. Austin, Vice-President of the National Bank of North America, Chicago, delivered an interesting address, which is printed below.

AUTHORITY AND DUTIES OF BANK OFFICERS.—ADDRESS OF C. O. AUSTIN.

How much of power and authority is vested in his office, is a question that has been brought home to every bank officer at some time in his official career. Many have sought the advice of their attorneys, to receive but little satisfaction, while others have plunged ahead, little caring for consequences and leaving the question for the courts to decide. Even then they have often obtained directly contrary decisions on the same points at issue rendered by courts of equal intelligence and jurisdiction in different States.

It is much to be regretted that Congress and our State legislative bodies have not enacted statutes defining some of the more important duties of officials who manage the affairs of the banks they have created through National and various State bank acts. The business of banking is the same whether it is carried on by institutions organized under National or State laws, and the general laws governing the action of officials will apply to either case.

It is a recognized rule of law that corporations, banks or otherwise, have authority only to perform such functions as are specifically given them by their charters or the organic law under which they have been created. Therefore, it necessarily follows that agents of such corporations must confine their acts clearly within the scope of their rights, as all acts of corporations must be through agents.

Banking may be carried on by corporations organized under the National Bank Act of any of the several States of the Union, but all functions must be transacted through the directors, President or the Cashier, singularly or collectively, or through some person or persons authorized to act for them.

DUTIES OF BANK DIRECTORS.

There are four separate and distinct interests concerned in the management of the affairs of every banking corporation, and each has powers peculiar to itself. These interests are: The stockholder, who owns the bank and controls its policy through the directors; the director, who has the management of the business; the President, who is the head of the corporation, and as such the representative of the board; and the Cashier, who "is the gen-

eral executive officer to manage its business in all things not peculiarly committed to the directors," to use the language of the courts.

The directors are officers in a broad sense and to the board is committed the entire management of the bank. They are accountable to the State and their stockholders and have certain clearly-defined duties, and their authority as a board is limited only as to such matters as pertain especially to the stockholders; but to be binding their action must be as a board, their separate and individual acts being of no more avail than those of any other stockholder.

As far as the general pubic is concerned in its dealings, the board constitutes the bank. To quote from the decision of the court in the case of Briggs vs. Spalding (141 U. S. 132): "Directors of a National bank must exercise ordinary care and prudence in the administration of the affairs of the bank, and this includes something more than officiating as figure-heads. They are entitled under the law to commit the banking business, as defined, to their duly-authorized officers, and this does not absolve them from the duty of reasonable supervision, nor ought they to be permitted to be shielded from liability because of want of knowledge or wrong-doing if that ignorance is the result of gross inattention." Every bank director in the country ought to read this decision. I venture the opinion that we would all have a quorum at every meeting, and our directors would be more than figureheads, as the learned court sees fit to call some of them.

Again, in the case of Gibbons vs. Anderson *et al.* (80 Fed. Rep. 345): "The duty of the board of directors is not discharged by merely selecting officers of good reputation and ability and integrity and then leaving the affairs of the bank in their hands without any other supervision or examination than the mere inquiry of such officers and relying upon their statements until some cause for suspicion attracts their attention. The board is bound to maintain the supervision of the bank's affairs, to have a general knowledge of the character of the business and the manner in which it is conducted, and to know at least on what security its large lines of credit are given."

The decisions are numerous and apparently unanimous as to the duties of the directors. The position of director is one of trust, and as trustee the duties are twofold; first, to the depositors and noteholders, if such exist; and second, to the stockholders or the proprietors of the corporation.

The directors have an absolute control over all subordinate officials of the bank under the National Bank Act, and the right to remove any and all of them at pleasure. Each director has equal authority with his colleagues in the board irrespective of his stock holdings, and the board as a whole has no power to debar him from the exercise of all of his rights and even a by-law granting them such power would be of no effect.

Directors cannot use their positions as such to advance their own interests and have no right to acquire interests in conflict with those of the bank. They are personally liable for losses caused through misconduct or wilful violation of the law.

The directors alone have power to make loans and discounts and conditions concerning them, and this power they cannot delegate to any individual. However, it is conceded that the business of making loans and discounts may be delegated to an executive or finance committee consisting of several members of the board and appointed with this as one of its special duties. The board has no power to appropriate any part of the funds of the bank to uses other than such as are for immediate conduct and benefit of the business, or as may be permitted by law.

POWERS AND DUTIES OF THE PRESIDENT.

The President as head of the institution and the representative of the board has the general supervision of the affairs of the bank. Ordinarily he presides at all meetings of the board and signs certificates of stock in the corporation jointly with the Cashier. Contrary to the general opinion, his inherent authority is extremely limited and it is difficult to say how far it extends.

The supreme court of one our leading States has said (First National Bank, Wellsburg, vs. Kimberland, 16 W. Va. 555): "The inherent powers of the President of a bank, by virtue of his office, are very limited, and it is difficult to say what powers he inherently possesses, if any other than the power to take charge of the litigation of the bank by employing counsel and otherwise."

In ordinary affairs the President usually assumes to do those things which the board of directors has the power to do, acting under specific authority from the board or relying upon some custom of the board to ratify his acts. The authority above cited also says: "A President of a bank may be authorized by its directors to do any act which they are authorized by their charter to do unless the act to be done can by the charter be done only by the directors themselves." This authority further says: "The inference that such authority has been impliedly inferred may be legitimately drawn by proving that he was in the habit of doing such acts."

The only authority which legal writers are willing to concede as inherent to the office of

President is that of bringing suits in behalf of and for the benefit of the bank and defending actions against it. He has no inherent authority to draw checks against the balances of the bank with other banks; to issue Cashier's checks or certificates of deposit; to certify checks; or to transact any other functions of the business. He has no inherent power to dispose of the property of the corporation, or to exercise any greater degree of management over its affairs than any other director. He cannot realize claims or stay executions, as both of these powers lie solely in the board. He cannot contract for the bank without specific authority from the bank to do so. He cannot bind the bank by the execution of a note in its name. Any of these powers, however, may be conferred by the board, and all of them, with the exception of disposing of property of the corporation, may be inferred if the President has been accustomed to act for the bank in this manner, and to transact its business with the knowledge of and without the objection of the board. Or if his predecessor has exercised these functions it is reasonable to suppose that the same implied authority would devolve upon him and the bank be bound for his actions.

DUTIES OF THE CASHIER.

The chief executive officer of the bank is the Cashier. The law says: "The Cashier of an incorporated bank is the general executive officer to manage its concerns in all things not peculiarly committed to the directors. He is the agent of the corporation and not that of the directors." (Bissell vs. First National, Franklin. 69 Pa. 415.)

It is quite impossible to define the limits of his authority within the actual operation of the affairs of the bank, and whatever is done by him within the scope of his duty, as generally construed, is the action of the bank and is irrevocable by the board. The board may limit his authority, but to make such limitations binding the public must have due notice thereof.

In general it is his peculiar duty to keep all of the funds, notes, bills and other choses in action as may come into the possession of the bank: to receive all moneys on deposit and give the depositor credit therefor; to receive payment of claims and release same, and to surrender all notes when paid and securities held as collateral therefor; and to receive and have charge of all collateral held by the bank, and to make all transfers of the shares of the corporation and keep complete records thereof; and to have charge of all correspondence between the bank and its clients, and to correspond for and on behalf of the bank as its agent. He has the authority to accept or refuse accounts, but he has no power to make loans and discounts although it is a common practice for him to do so, and where the bank sustains loss on loans made by him through want of diligence he is liable.

While the Cashier has authority to transfer and endorse all negotiable securities held by the bank, he has no authority whatever to transfer non-negotiable securities without explicit authority from the board. A resolution of the board giving him the general authority to transfer non-negotiable securities is illegal. He cannot bind the bank by his official endorsement of his individual note without explicit authority from the board. Nor can he certify his own check, although one of the inherent duties of his office is the certification of checks. He cannot bring suit for or in behalf of the bank, nor even answer a garnishment. Neither can he bind the bank to indemnify a court official for levying execution in favor of the bank; nor can he indemnify any one for going on a bond or furnishing such security for a customer of the bank. This is *ultra vires*, and cannot be done by the President or board of directors. The Cashier cannot execute a mortgage upon the real estate of the bank, nor can he certify post-dated checks. The Cashier or other executive officer of a National bank has not, in the absence of special authority from the directors, power to receive property for safe-keeping, or, as ordinarily termed, special deposits. A usage or established practice, however, might give him such authority. A bank is not liable to third parties for acts of its Cashier clearly beyond the scope of his authority and contrary to general custom and usage or which he has not before performed and which have been subsequently approved by the board, and the person damaged will not be allowed to plead lack of knowledge of the official's power.

The public having dealings with bank officials must inform itself in a general way as to the scope of their power and authority, otherwise the courts will meet its plea of ignorance with the old adage, "*ignorantia legis neminem excusat.*"

Among the other subjects discussed were: "The Octopus and the Bank," by J. A. S. Pollard, Cashier Fort Madison (Iowa) Savings Bank; "Banks and Trusts," John B. Cockrum; "Important Banking Law Questions," Thos. B. Paton, New York; "Secondary Reserve," Granger Farwell, Chicago; "Branch Banking and Asset Currency," Henry W. Yates, President Nebraska National Bank, Omaha.

The annual reports of the officers of the association showed that the membership has increased sixty-seven during the last year, and is now 364. Reports from the

several districts of the State indicated great activity and a large increase in the volume of bank deposits.

The following are the new officers elected:

President, R. L. O'Hair, President Central National Bank, Greencastle; vice-president, W. W. Bonner, Cashier Third National Bank, Greensburg; treasurer, Charles E. Coffin, President Central Trust Co., Indianapolis.

Members of the executive committee—F. L. Powell, President National Branch Bank, Madison; C. H. Church, Cashier Delaware County National Bank, Munice; John Perrin, President American National Bank, Indianapolis; A. F. Ramsey, President Citizens' National Bank, Crawfordsville; J. Monyhan, President Citizens' Bank, Orleans.

Vice-Presidents at-large—O. N. Frenzel, President Merchants' National Bank, Indianapolis, and Henry Reis, Cashier Old National Bank, Evansville.

Delegates to convention of American Bankers' Association—C. T. Lindsey, Cashier Citizens' National Bank, South Bend; Preston T. Kelsey, Treasurer Indianapolis Clearing-House Association; Charles L. Farrell, Assistant Cashier Capital National Bank, Indianapolis; D. A. Coulter, President Farmers' Bank, Frankfort; Will G. Irwin, Cashier Irwin's Bank, Columbus; A. M. Jacobs, Cashier Noble County Bank, Kendallville; W. H. Gardner, Cashier Farmers' National Bank, Valparaiso.

HOME COMMERCE ALWAYS KING.—The home market of America takes ninety-six per cent. of all manufactured articles, only four per cent. going to foreign markets. Even Britain's home market takes four-fifths of her manufactures, only one-fifth going abroad. Politicians give far too much attention to distant foreign markets, which can never amount to much, and far too little to measures for improving conditions at home which would increase the infinitely more important home market. If the people of the United Kingdom could spend even one pound per head more per year her home commerce would be increased more than the total value of her exports to all of Australasia, British North America and China combined. Truly foreign commerce is a braggart always in evidence, home commerce the true king.—*Andrew Carnegie in The World's Work.*

FOR CURRENCY REFORM.—At a meeting of the Chamber of Commerce of the State of New York November 6, Jacob Schiff offered the following resolution:

"*Whereas*, Recent experiences having again demonstrated the insufficient elasticity of our monetary system so as to adapt itself to legitimate requirements; be it

Resolved, That it be referred to the committee on finance and currency to report to the Chamber such feasible measures as in its opinion would tend to provide against a money situation such as we have had recently to deal with."

The resolution was seconded and carried. The committee which will deal with this matter includes John Harsen Rhoades, Henry W. Cannon, August Belmont, George G. Williams, Jacob H. Schiff, Charles S. Fairchild and Lyman J. Gage.

MODERN BANKING METHODS.—Bradford Rhodes & Co. of 87 Maiden Lane, New York, have just published a new work on practical banking entitled "Modern Banking Methods and Practical Bank Bookkeeping." It is especially valuable to junior bank officers and bank clerks. Hon. Edward S. Lacey, Ex-Comptroller of the Currency and President of the Bankers National Bank, Chicago, says of the book:

"It should be in the hands or every bank clerk who desires to become a master of the business."

CANADIAN BANKING, COMMERCE AND MANUFACTURES—A QUARTERLY REVIEW.

Probably in no previous year in the history of the Dominion have the business conditions been as promising at this season as they are at present. Crop conditions generally are satisfactory, the cereal production of 1902 being a record one. Nearly all the other industries of the country, dairying, live stock, lumber, fisheries, coal, iron and steel, and other manufactures, show a remarkable expansion in comparison with the output of a few years ago. There have been fewer commercial failures since the beginning of the current half-year than in 1901, and the insolvencies reported have been mostly of minor importance. Railway earnings continue to show large gains. There are practically no labor troubles now in Canada to disturb general business conditions. All these factors mean much for the banking and commercial interests, and a remarkable expansion seems to be assured for the next three months in Canada.

The Increase in Immigration.

The revised returns of immigration to Canada for the fiscal year ending June 30 last have been compiled, and they make a most satisfactory showing. The total number of emigrant arrivals was 67,230, an increase of 18,081 over the previous year. The greatest gain was in the arrivals from the United States, the total being 26,312, as against 17,987 for the previous year, a gain of 8,325. British arrivals came next, with a gain of 5,449, although the total of 17,259 for the year is less than from other countries. From Europe, excluding the British Isles, Canada received 23,659 emigrants, or 4,307 more than in 1901. Judging by the steady gain from all directions, the officials feel confident that within two years the emigrant arrivals in Canada will reach a total of 100,000 a year.

The Public Revenues.

The finally revised statement of revenue and expenditure for the last fiscal year, shows that the revenue on consolidated fund account is $58,024,228 and $50,739,000 respectively, or $1,224,228 more revenue and $261,000 less expenditure than was expected by the Minister of Finance.

The ordinary receipts gained by $5,509,527 as compared with 1901, while the expenditure exhibited an increase of $3,873,586. There was an excess of $7,284,275 of ordinary revenue over ordinary expenditure, but the capital expenditure reached a total of $13,000,000. Deducting from the latter item the surplus on consolidated fund and the charges for sinking fund, it leaves $3,398,412 to be added to the National debt. The large capital outlay was necessitated by the falling due of iron and steel bounties, the equipment of the Intercolonial Railway with rolling stock and new rails, the development of transportation routes and the settlement of awards aggregating nearly a million to two of the provinces.

The first quarter of the present fiscal year has closed very auspiciously. There has been a reduction of $1,778,000 in capital expenditure and a slight diminution in ordinary expenditure, compared with the same period of last year. The ordinary revenue exceeded the ordinary expenditure by $7,210,000, and showed a gain of $1,638,000 compared with 1901. Following are the items for the three months compared with the first quarter of the previous fiscal year:

REVENUE.	*1901.*	*1902.*
Customs	$8,009,968	$9,079,086
Excise	2,653,265	2,884,455
Post Office	780,000	890,000
Public works and railways	1,652,248	1,750,746
Miscellaneous	453,238	613,079
Total	$13,548,519	$15,187,367
Expenditure	8,068,185	7,976,998

CAPITAL EXPENDITURES.	*1901.*	*1902.*
Public works and railways	$2,438,510	$1,075,635
Dominion lands	52,584	35,425
Militia	22,504	10,798
Railway subsidies	745,930	327,420
Iron and steel bounty	....	65,610
N. W. T. rebellion	....	267
South African contingent	86,248	65,610
Total	$3,345,778	$1,567,069

For the month of September alone the receipts totalled $5,428,419, as against $4,781,456 in 1901. The expenditure was $2,422,877, as against $2,720,152. The capital outlay was $801,554, as against $858,962.

GROWTH OF CANADIAN TRADE.

The growth of Canada's foreign trade continues at a most satisfactory rate. For the three months of the present fiscal year, ending September 30, the aggregate trade on the basis of imports for consumption and exports of all kinds amounted to $112,-481,550, an increase of $7,750,000 over the same period of last year. The imports for consumption totalled $50,911,940, being an increase of $3,887,227. Dutiable goods show a gain of $3,963,147, while imports of free goods slightly declined. Exports of domestic produce reached a total of only $57,493,585, being an increase of $7,359,-388 over the corresponding period of 1901. The exports of animals and their produce were $5,363,145 better than for the first quarter of the previous fiscal year, but mineral products decreased by $2,304,000. Exports of other classes increased as follows: Products of the fisheries, $95,330; products of the forest, $2,148,936; agricultural products, $1,383,191; manufactures, $644,426. The details of imports and exports for the past quarter as compared with 1901 are as follows:

IMPORTS.	*1901.*	*1902.*
Dutiable goods	$29,207,381	$33,170,528
Free goods	17,817,332	17,741,412
Total	$47,024,713	$50,911,940
Coin and bullion	1,758,119	621,328
Total	$48,782,832	$51,533,268
Duty collected	7,823,898	8,984,198

EXPORTS—DOMESTIC PRODUCTS ONLY.	*1901.*	*1902.*
The mine	$12,127,061	$9,822,576
The fisheries	2,407,610	2,502,940
The forest	11,957,131	14,106,067
Animals and produce	15,700,396	21,063,541
Agriculture	4,248,261	5,631,452
Manufactures	3,687,724	4,332,148
Miscellaneous	6,012	34,861
Total merchandise	$50,134,195	$57,493,585

The imports for consumption for September only gained by $2,808,413, compared with the same month last year, while the increase in domestic exports was $3,446,809.

Agricultural Development.

The trade and commerce returns for the fiscal year ending with June last show a continuous expansion of agricultural exports. The record yield in Manitoba and the Territories is shown in the export of wheat, which reached 36,446,357 bushels, valued at $26,410,101, as compared with 18,936,252 bushels, valued at $13,662,930, during the previous year. Both in quantity and value, these exports have almost doubled. The bulk of last year's export has gone, as usual, to Britain, 33,662,930 bushels reaching British ports, while only some 15,000 bushels were shipped to the United States.

The area of wheat has increased in Manitoba from 2,011,835 acres to 2,039,940 acres, and in the Territories from 504,697 to 584,988.

Canadian exports of bacon last year were valued at $12,163,550, a gain of more than half a million dollars. Butter exports show an increase of $2,311,000, the total for 1902 being $5,667,150, and for 1901, $3,355,197. Cheese exports show a decline of a million and a quarter dollars as compared with the previous year, but the total of $19,870,072 still looms large in our commercial records. The foreign sale of eggs looks promising, the total for the year being valued at $1,736,141, a substantial gain on the figures for the previous year.

The total export of potatoes were valued at $689,860, as against $366,410 for 1901, an increase of $323,450.

Canada exported during the last fiscal year living annimals valued in the aggregate at $13,739,113, which is $1,537,518 ahead of the best year ever previously experienced. The export of horned cattle reached its highest value last year, being $10,633,819, or $1,599,257 in excess of 1901. The export of horses last year amounted to $1,457,173, or $548,900 more than for the previous year. The total export of Canadian sheep amounted to $1,483,526, showing a falling off of $142,176.

Manufacturing Industries.

Manufacturing industries show unusual activity and expansion. The increasing consumptive demand, owing to the greater prosperity of the country and the increased settlement of the West, continues to augment the demand for manufactured goods. The exports have increased to a greater extent proportionately than the general increase of exports, which shows that the manufacturing interests have enjoyed and are enjoying a full measure of the benefits of an era of prosperity.

Numbers of new industries have been started the past three months, and many old concerns have had to extend their business in order to cope with the growing requirements of their expanding trade. In New Ontario, huge pulp, paper and lumber mills are to be established in the near future. Draft plans have been made, and everything is in readiness for the equipment and installation of the biggest paper mill in Canada. Another great Canadian industry is the International Harvester Company, which is establishing extensive works at Hamilton, Ontario. This company is a development of the Deering Havester Company of Chicago, and its development in Canada is part of the scheme of consolidation recently carried out among the leading implement manufacturers of the United States.

The iron and steel business is being exploited on an immense scale in Canada.

Several steel-making enterprises are in a more or less forward state of completion. At Sydney a steel-rail mill will be erected before many months have expired. The Nova Scotia Steel Company is laying out a new iron smelting plant, and the foundations for the furnaces and stoves are already in. This plant will have a capacity of 250 tons of pig iron per day. A syndicate composed chiefly of Montreal men have purchased the blast furnaces, mining lands, woods, lands and water powers of the Londonderry Iron Company, situated at Acadia Mines, N. S., and the develop-

ment of the property will immediately be proceeded with upon a large scale. The capacity of the plant is about 35,000 tons of pig iron, and between 6,000 and 7,000 tons of castings per year.

According to official reports recently completed of the production of pig iron in the Dominion during the first six months of 1902, there was a slight increase compared with the last half of 1901, but a very great decrease compared with the first six months of that year.

In the first six months of 1902 the production of all kinds of pig iron in the whole of the Dominion amounted to 157,804 gross tons, as compared with 149,952 tons in the last half of 1901 and 95,024 tons in the first half of the year. The increase in the first half of 1902 over the last half of 1901 was 7,852 tons, or over five per cent., while the increase over the first half of 1901 was 63,780 tons, or over sixty-six per cent. Of the total production in the first half of 1902, 12,000 tons were Bessemer and low phosphorus and 57,209 tons were basic pig iron. The coke furnaces made 147,892 tons and the charcoal furnaces 9,912 tons. Neither spiegeleisen nor ferro-manganese has been made in Canada for several years.

The unsold iron held by Canadian pig iron manufacturers on June 30, 1902, none of which was intended for their own consumption, amounted to 37,721 gross tons, as compared with 59,472 tons on December 31, 1901, and 28,711 tons on June 30, 1901. Of the unsold iron on hand on June 30, 1902, less than 2,000 tons were made with charcoal, the remainder being coke iron.

On June 30, 1902, Canada had fourteen completed blast furnaces, of which eight were in blast and six were idle. Of this total nine were equipped to use coke for fuel, four to use charcoal, and one to use mixed charcoal and coke. In addition three coke and two charcoal furnaces were being built on June 30, 1902, but work upon two of the coke furnaces was temporarily suspended.

Transportation.

The transportation business is in a very prosperous condition at the present time, and the next few months should show a decided increase in gross earnings, as both grain and cotton will be moving in large quantities, while merchandise will be returned from the manufacturing to the farming districts.

Canadian railway earnings for the nine months, as compiled by Dun's agency, show a total of $26,742,122, a gain of $4,767,961, or 21.7 per cent.

The announcement that the Canadian Pacific Railway will engage directly in the Atlantic freight business is another proof of the activity and energy with which that great Canadian enterprise is being conducted, and is one of the most important moves that corporation has made along the line of the enlargement of its scope of operations.

The company offered, subject to certain traffic arrangements, to establish a weekly service of twenty-knot steamships between Liverpool and a St. Lawrence port during the summer months, Halifax to be the Canadian port during the winter months, for a subsidy of £265,000 sterling per annum during the first ten years, with a graduated reduction in the amount of subsidy during each of the two following periods of five years, the ships to be most modern in every respect, and to be built specially for the route. In addition to this, the company signified its willingness to furnish a fleet of modern freight steamers of 10,000 tons capacity each, sailing at a speed of about twelve or thirteen knots per hour, serving Canadian ports.

With the establishment of its fleet of freight steamships, the Canadian Pacific Railway will be able to quote through freight rates and give through bills of lading on all classes of business from Australia, the Orient and Canada to Great Britain. It is the last link of the chain of rail and steamship communication between the heart of the Empire and its uttermost ends in the East under a single management.

The most important phase of the question to Canada is, however, the effect the establishing of this new fleet of freight carriers will have upon our transportation facilities.

The freight passing through the Canadian and United States canal sat Sault Ste. Marie from the opening of navigation to August 31 was 18,168,288 tons, against 18,156,276 tons in 1901.

The following are the figures for the Canadian canal:

	1901.	*1902.*
April 5 to May 31	532,188	151,679
June	1,118,564	1,235,055
July	523,936	276,624
August	639,858	295,175
Total	2,814,546	1,958,533

The total freight which passed through the two canals during the month of September last was 4,673,532 tons, or 540.476 tons more than in September, 1901. The Canadian "Soo" carried 560,031 tons, which exceeded the freight in September, 1901, by 358,802 tons.

It is expected that there will be a total movement of 35,000,000 tons of freight to and from Lake Superior through canals at the Sault by the close of the present season of navigation, as against 28,000,000 tons a year ago.

The growth of lake traffic is shown by the list of vessels on the registry books of the Dominion. In gross tonnage of sailing vessels and steamers Nova Scotia is first with 214,560 tons, Ontario second with a total of 145,227 tons, Quebec third with 142,664 tons. New Brunswick has 75,293 tons on her registers, and British Columbia, 62,102. In steamers Ontario heads the list, with 1,076 vessels, having an aggregate gross measurement of 110,400 tons. Quebec being second, with 351 steamers, measuring 86,805 tons, and British Columbia third, with the same number of steamers, measuring 58,463 tons.

BANKS AND BANKING.

Increased activity in Canadian trade is manifest by the figures of the June, July and August statements of the banks. The following are the leading figures:

ASSETS.	*June, 1902.*	*July, 1902.*	*August, 1902.*
Specie	$12,409,855	$12,295,849	$12,382,880
Dominion notes	23,690,782	23,726,010	23,045,035
Deposits to secure note circulation	2,644.760	2,792,166	2,792,166
Notes and checks on other banks	16,918,470	14,834,152	11,719,125
Loans to other banks, secured	698,097	583,636	570,619
Deposits with other banks in Canada	3,821,451	4,545,575	4,414,790
Due from banks in Great Britain	5,957,350	7,046,722	8,808,367
Due from other banks in foreign countries	13,484,668	16,645,395	14,816,512
Dominion or provincial Government debentures or stock	10,024,060	9,897,199	9,683,019
Other securities	49,567,525	49,477,990	48,832,348
Call loans on bonds and stocks in Canada	45,828,253	45,876,667	50.067,007
Call loans elsewhere	46,388,241	50,534,884	52,409,125
Current loans in Canada	300,714,347	296,498,818	296,711,684
Current loans elsewhere	26,097,921	28,587,076	31,269,259
Loans to Dominion and Provincial Governments	3,935,592	3,242,384	3,541,570
Overdue notes	2,148,011	2,043,504	1,992,247
Real estate	890,756	873,611	858,590
Mortgages on real estate sold	736.473	796,208	817,815
Bank premises	6,911,171	6,976,805	7,010,182
Other assets	9,011.660	10,635,472	11,769,848
Total	$581,876,985	$587.900,352	$593,012,325

LIABILITIES.			
Capital authorized	$79,128,666	$81,626,666	$81,626,666
Capital paid-up	69,584,308	69,733,761	70,270,408
Reserve funds	40,407,911	40,801,622	40,725,468
Notes in circulation	$53,958,043	$52,070,065	$55,085,701
Dominion and provincial Government deposits	8,898,661	7,007,663	7,672,386
Public deposits on demand in Canada	105,187,781	105,589,151	105,699,606
Public deposits at notice	239,812,120	245,044,194	247,052,129
Deposits outside of Canada	35,731,417	37,272,322	37,484,456
Bank loans or deposits from other banks secured	698,096	630,240	570,619
Due to other banks in Canada	3,194,350	3,818,376	3,756,722
Due to other banks in Great Britain	5,024,180	4,598,092	3,897,376
Due to other banks in foreign countries	1,054,241	1,210,414	1,359,454
Other liabilities	11,599,460	12,696,067	12,121,954
Total liabilities	$465,108,425	$469,883,653	$473,090,477
Average amount of specie held during the month	12,420,737	12,317,599	12,675,566
Average Dominion notes held during the month	23,413,978	23,163,823	23,364,742
Greatest amount notes in circulation during month	54,648,201	55,031,430	55,490,064
Loans to directors or their firms	10,497,230	10,284,068	9,756,529

The statement for September was a record one in several respects. The leading items are as follows:

	Sept. 30, 1902.	*Sept. 30, 1901.*
Capital paid up	$71,084,330	$67,486,687
Reserve fund	41,130,286	36,908,355
Circulation	60,965,801	56,027,407
Deposits, on demand	112,001,084	96,866,910
Deposits, on time	247,813,411	228,015,362
Deposits, outside Canada	38,041,688	31,465,489
Total liabilities	$488,112,355	$441,047,760
Specie	$12,510,727	$11,306,127
Dominion notes	23,145,990	20,016,696
Balances due from United Kingdom	6,348,566	5,330,785
Balances due from elsewhere	15,299,173	17,778,306
Railway and other securities	35,864,715	32,283,676
Call loans	52,139,367	38,158,853
Call loans, outside Canada	49,853,547	44,326,826
Current loans	303,518,223	286,195,554
Current loans, outside Canada	35,872,043	27,306,614
Overdue debts	1,969,702	2,033,108
Loans to directors	10,228,365	12,289,305
Total assets	$610,927,964	$553,954,790

The increase in the deposits is remarkable for this period of the year, as there has been a marked tendency of the Canadian people in recent months to pour earning or savings into the various industrial or other enterprises, of which the last year or two have been so prolific. There has been a considerable increase in call loans in foreign countries, and also in deposits made with Canadian banks in foreign countries. Gold shipments from Dawson City would account for some of this.

Canadian bank clearings for nine months at the leading cities, with comparisons, were:

	1902.	*1901.*	*Inc.*
Montreal	$810,969,237	$650,512,417	24.7
Toronto	600,616,480	455,648,038	31.8
Winnipeg	120,362,573	78,336,799	53.6
Halifax	65,981,072	64,642,263	2.1
Vancouver	39,606,276	34,007,271	16.5
Hamilton	33,137,629	30,547,876	8.5
St. John	30,750,210	29,849,507	3.0
Victoria	20,536,402	23,343,864	12.0
Total	$1,721,959,879	$1,366,831,065	26.0

The Metropolitan Bank of Canada has been incorporated with $1,000,000 capital, at 100 per cent. premium. This is proof that Canadian financial enterprise is fully equal to the task of providing banking facilities for the expanding commerce and industry of the Dominion. The issue of $1,000,000 for $2,000,000, giving the bank a capital of a million and an equal reserve, is a novel experiment, and the success of the flotation shows the financial strength of the men having the enterprise in hand.

The Commercial Bank of Windsor, N. S., has been amalgamated with the Union Bank of Halifax. The terms of the sale are that the Commercial Bank shareholders will receive 4,118 shares of the Union Bank, which, at the present market value, means $350,030.

The situation reflected in the foregoing bank statements indicates the growing need for a larger amount of banking capacity. Despite the incorporation of two new banks within the past year and the extension of the capital stock of several others, there still seems to be a demand for additional banking facilities, and, unless the old-established banks can see their way clear to make further additions to their capital stock, thus enabling them to extend and develop their business, the incorporation of one or more new banks must be looked for in Canada.

INCREASE OF LAKE COMMERCE.

The phenomenal activity of the whole country is illustrated by some figures, just prepared by the Treasury Bureau of Statistics, showing the commerce on the Great Lakes during the month of July and the seven months ending with July. The chain of Great Lakes which stretches from New York at the east to Minnesota at the west, transports a large proportion of the products of a dozen States in which are included the principal agricultural, mining and forestry sections of the country. The measurement of the commerce of the lakes, therefore, is an important exponent of the business activities of the country. This is accomplished by the figures of the Treasury Bureau of Statistics, which show that the total freight receipts at 144 receiving ports on the lakes were 25,718,826 net tons in the first seven months of the year, compared with 18,891,257 net tons in the corresponding months of last year.

The statistical measurement of trade on the Great Lakes has been greatly developed by the Bureau of Statistics within the past few years. Under the system of reporting cargo by masters of vessels, which it established in the year 1900, an average of from 7,500 to 8,000 supplementary manifests is received at the bureau each month during the season. These manifests are immediately tabulated in such a manner as to show the amount of business done by each lake port throughout the month and year. July is the latest month for which figures have been published in the Summary of Internal Commerce, 144 receiving ports and 217 shipping ports being represented.

The end of July usually marks the turning point in the open season of lake navigation. This year, however, an earlier opening brought out a much heavier tonnage movement than last season. The total freight receipts for the first seven months of this year were 25,718,826 net tons, as against 18,891,257 net tons to the corresponding date last season. This increase is at the rate of 30.6 per cent. over the received tonnage last season. Shipments thus far this season have amounted to 26,876,006 net tons, those of last season being 19,753,334 net tons. The most conspicuous gains have been made in the shipment of ore and minerals not including coal, this season's total amounting to 13,377,912 gross tons, against only 9,083,982 gross tons in 1901—a gain of 47 3 per cent. Coal shipments increased from 3,670,871 net tons last season to 4,652,323 net tons this season. Slightly less than half of the total freight tonnage on the lakes consists of iron ore.

The movement of registered tonnage of vessels on these inland waters is reported for the first time this year. In these reports of internal commerce only the vessel movement between American ports is included. In seven months 37,413 vessels arrived with a tonnage of 35,087,876 tons registry, and 37,798 vessels cleared, of 35,786,701 tons registry. This is more than twice the registered tonnage of both foreign and American vessels engaged in the foreign trade of the country, for the same period of time. The foreign trade engaged 2,174,054 tons of sail, and 14,094,967 tons of steamships of all nationalities to July 31, 1902, making a total of 16,269,921 tons. The combined registered tonnage in the foreign trade at New York, Boston, Philadelphia, Baltimore, New Orleans, San Francisco and Puget Sound for the entire year 1901 was 18,868,808 tons entered, and 18,487,246 tons cleared, or somewhat more than half the total tonnage reported for the Great Lakes during the seven months of 1902.

Further analysis of this enormous total shows that fourteen ports each report arrivals and clearances of a million tons and over. Five ports—Chicago, Milwaukee, Duluth, Cleveland and Buffalo—each show clearances of two million tons and over. The combined arrivals at these five ports was 11,421,099 tons, and the clearances 11,455,544 tons.

CONDITION OF THE NATIONAL BANKS.

Abstract of reports of condition of National banks in the United States on April 30, July 16 and Sept. 15, 1902. Total number of banks: April 30, 4,423; July 16, 4,535; Sept. 15, 4,601.

RESOURCES.	*Apr. 30, 1902.*	*July 16, 1902.*	*Sept. 15, 1902.*
Loans and discounts	$3,172,757,485	$3,221,859,631	$3,280,127,480
Overdrafts	27,211,618	24,657,222	34,111,552
U. S. bonds to secure circulation	316,271,180	316,138,980	324,253,760
U. S. bonds to secure U. S. deposits	120,561,030	124,408,250	124,685,150
U. S. bonds on hand	7,716,980	7,896,350	8,006,100
Premiums on U. S. bonds	11,012,091	11,529,454	12,218,347
Stocks, securities, etc	467,403,724	484,956,796	493,109,726
Banking house, furniture and fixtures	89,915,381	91,364,968	92,652,268
Other real estate and mortgages owned	22,685,159	21,964,808	21,558,969
Due from National banks	260,842,095	266,665,842	264,616,195
Due from State banks and bankers	78,546,740	80,861,315	89,998,517
Due from approved reserve agents	467,417,747	471,646,390	465,640,578
Internal-revenue stamps	416,220	358,606	286,587
Checks and other cash items	26,236,728	22,306,546	24,501,107
Exchanges for clearing-house	290,651,830	247,118,366	327,762,581
Bills of other National banks	24,919,204	26,171,308	22,861,878
Fractional currency, nickels and cents	1,490,359	1,498,845	1,378,296
Specie	398,760,561	404,763,968	366,236,120
Legal-tender notes	159,484,226	164,854,292	141,757,618
Five per cent. redemption fund	15,244,838	15,375,536	15,799,678
Due from Treasurer U. S.	2,590,240	2,814,029	2,369,383
Total	$5,962,135,451	$6,008,754,9.75	$6,113,928,912
LIABILITIES.			
Capital stock paid in	$671,176,312	$701,990,554	$705,535,417
Surplus fund	296,597,508	325,524,915	336,393,953
Undivided profits, less expenses and taxes	162,588,066	156,852,527	169,216,512
National bank notes outstanding	309,781,739	309,336,599	317,991,809
State bank notes outstanding	51,874	42,781	42,781
Due to other National banks	658,518,344	626,954,587	648,885,530
Due to State banks and bankers	291,394,304	310,196,963	285,221,529
Due to trust companies and Savings banks	266,616,730	271,905,850	235,220,608
Due to approved reserve agents	32,192,844	33,842,229	31,018,564
Dividends unpaid	1,867,508	2,316,288	968,559
Individual deposits	3,111,690,195	3,098,875,772	3,209,273,893
U. S. deposits	113,554,981	118,238,798	117,097,769
Deposits of U. S. disbursing officers	6,549,881	5,727,327	6,846,083
Notes and bills rediscounted	5,377,544	6,746,396	9,041,080
Bills payable	9,955,530	15,983,174	24,859,807
Liabilities other than those above	22,402,065	24,210,215	26,820,060
Total	$5,962,135,451	$6,008,754,975	$6,113,928,912

Changes in the principal items of resources and liabilities of National banks as shown by the returns on Sept. 15, 1902, as compared with the returns on July 16, 1902, and Sept. 30, 1901:

ITEMS.	SINCE JULY 16, 1902.		SINCE SEPT. 30, 1901.	
	Increase.	*Decrease.*	*Increase.*	*Decrease.*
Loans and discounts	$58,267,849	....	$261,511,562	....
U. S. bonds	8,503,430	....	12,570,520	....
Due from National banks, State banks and bankers and reserve agents	1,526,741	....	35,217,372	....
Specie	....	$38,527,848	....	$22,300,751
Legal tenders	....	23,096,674	....	9,261,133
Capital stock	3,544,863	....	50,193,537	....
Surplus and other profits	13,233,022	....	65,048,357	....
Circulation	8,655,210	....	....	5,871,788
Due to National and State banks and bankers	....	42,558,397	15,056,028	....
Individual deposits	110,398,121	....	271,520,660	....
United States Government deposits	....	22,322	17,083,653	....
Bills payable and rediscounts	11,161,317	....	5,281,765	....
Total resources	105,173,936	....	418,581,617	....

BANKING AND FINANCIAL NEWS.

This Department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—The stockholders of the Fifth National Bank will hold a special meeting on December 2 to vote on a proposed increase of the capital stock from $200,000 to $250,000.

—Geo. H. Southard, President of the Franklin Trust Co., Brooklyn, was recently elected a director of the Corn Exchange Bank.

—It is reported that the Bank of Long Island is being organized with $500,000 capital, and that it will absorb several of the existing banks in Queens county.

—An arrangement has been made for merging the business of the Manufacturers' Trust Co. (Brooklyn) with the Title Guarantee and Trust Co. of Brooklyn, the former to be operated hereafter as a branch of the latter. When the plan is carried into effect the capital of the combined institutions will be $4,375,000.

—Gates W. McGarrah, who has been Cashier and Vice-President of the Leather Manufacturers' National Bank for several years, was recently elected President of that bank, succeeding Nicholas F. Palmer, resigned. Mr. Palmer will continue to be a member of the board of directors.

—A new branch of the Corn Exchange Bank was recently opened at Broadway and Twenty-eighth street.

—The Williamsburgh Trust Co., Brooklyn, will open a branch at Broadway and Myrtle avenue, Brooklyn.

—At a meeting of the shareholders of the Seventh National Bank, October 21, the plan proposed by the directors for increasing the capital from $1,700,000 to $2,500,000 was formally ratified.

—At a meeting of the directors of Wells, Fargo & Co., on October 7, Homer S. King was elected President of the bank, succeeding Dudley Evans, who has been acting President for some time, and who now becomes President of the express company.

—It is reported that the Mutual Life Insurance Company will tear down the Gilman Building on Cedar street and will erect a new structure for Harvey Fisk & Sons, bankers, who now have offices in the National Bank of Commerce Building.

—Norman B. Ream is a new director of the Continental Trust Company.

—Henry C. Frick, the well-known Pittsburg manufacturer and capitalist, was recently elected a director of the Equitable Trust Company.

—At a recent meeting of the banking commission to designate city depositories for the ensuing three months, the Consolidated National Bank was named as one of such depositories.

—At a meeting of the board of directors of the New York Security and Trust Company, November 6, L. Carroll Root, formerly Secretary of the company, was elected Third Vice-President, and Alexander S Webb, Jr., Secretary. Mr. Webb was formerly Secretary of the Metropolitan Trust Company, and also connected with the Lincoln Bank.

—At a meeting of the shareholders of the Liberty National Bank, November 7, it was unanimously voted to increase the capital stock from $500,000 to $1,000,000 and also to increase the surplus from $500,000 to $1,000,000. Under this increase the bank's capital, surplus, and undivided profits will be about $2,900,000.

NEW ENGLAND STATES.

Lowell, Mass.—At a meeting of the directors of the Appleton National Bank, October 20, G. W. Fifield resigned the office of President, and was succeeded by C. H. Allen, former Governor of Porto Rico. Gov. Allen has been a director of the bank for eight or ten years.

Boston.—It is reported that the capital of the Atlas National Bank will be reduced from $1,500,000 to $1,000,000, the difference being returned to the shareholders.

—The directors of the Central National Bank have voted to go into liquidation, and if the stockholders approve the plan the business of the Central National will be turned over to the Eliot National for liquidation.

A Successful Trust Company.—The Taunton (Mass.) Safe Deposit and Trust Company's report for October 31 shows a very satisfactory rate of progress, the number of depositors having increased from 180 on October 31, 1901, to 3,021 on October 31, 1902. In the same time the deposits increased from $270,000 to $586,000.

Connecticut Savings Banks Association.—An association of the Savings banks of Connecticut was effected at a meeting held at Hartford, October 29.

The constitution of the association was acted upon and adopted. The membership fee is $3 for banks with deposits up to $200,000 or less; $5 for banks from $200,000 to $1,000,000; $10 for banks with deposits of from $1,000,000 to $3,000,000: $15 for banks with deposits of from $3,000,000 to $5,000,000, and $20 for banks with deposits in excess of $5,000,000.

Lyman S. Catlin, of Bridgeport, presided at the meeting, and Arthur T. Nettleton, of Newtown, was secretary. The following officers were elected:

President—F. J. Kingsbury, Waterbury Savings Bank.

Vice-Presidents—Walter Learned, Savings Bank of New London: W. B. Hincks, City Savings Bank, Bridgeport; Thomas S. Birdseye, Derby Savings Bank, Derby.

Secretary—Ward W. Jacobs, Mechanics' Savings Bank, Hartford.

Treasurer—Frank L. Woodard, Dime Savings Bank, Norwich.

Executive Committe—A. E. Hart, Society for Savings, Hartford; Costello Lippitt, Norwich Savings Society, Norwich; Robert A. Brown, New Haven Savings Bank: Franklin Miller, Stamford Savings Bank; Henry H. Smith, Middletown Savings Bank.

MIDDLE STATES.

Pittsburg.—Stockholders of the Union Trust Company voted recently to increase the capital from $1,000,000 to $1,500,000. The 5,000 shares of new stock is to be sold at $2,000 per share, and the premium realized will be sufficient to make the combined capital, surplus and profits $17,000,000.

—On October 14 the Keystone Bank threw open its new building for public inspection. This structure is among the largest and finest of the several bank and office buildings recently erected in Pittsburg, and is a most substantial evidence of the Keystone Bank's progress and prosperity.

—The directors of the North American Savings Company have decided to recommend to the stockholders an increase of capital from $350,000 to $700,000.

—F. E. Bowman, who has been with the Second National Bank for twelve years and for some time the head bookkeeper of the bank, was recently promoted to the position of Assistant Cashier.

—Colonial Trust Company interests are organizing the Colonial National Bank with $1,000,000 capital.

Scranton, Pa.—On October 20 the Merchants and Mechanics' Bank took possession of its new building. It is a handsome and substantial structure, built entirely of limestone, and thoroughly fire-proof, no wood being used in the interior except the doors and desks. The building is to be devoted exclusively to the bank's use. A notable feature is the new steel vault—the largest in the city. Not only is the building beautiful in design and construction, but it contains every desirable convenience for the use of customers, officers and clerks. The officers of the Merchants and Mechanics' Bank are as follows: J. J. Williams, President; A. J. Casey, Vice-President; C. W. Gunster, Cashier.

Newark, N. J.—On October 20 the shareholders of the Fidelity Trust Company voted to increase the capital from $1,500,000 to $3,000,000. The new stock to be sold at $750 a share and to be taken principally by the Prudential Insurance Co., of this city, and the Equitable Life Assurance Co., of New York. The price paid will give the Fidelity Trust Company a capital of $3,000,000, a surplus of $13,000,000 and considerable undivided profits—making it one of the largest trust companies in the United States.

—The National Newark Banking Co., which has done business at Broad and Bank streets since 1804—having been the first bank organized in the State—recently removed into the building formerly occupied by the Newark City National Bank, the two banks having been consolidated. The building has been renovated and is now thoroughly equipped for the safe and convenient despatch of business.

Trust Companies Unite.—The Security Trust Company, of Camden, N. J., it is reported, has absorbed the business of the New Jersey Trust and Safe Deposit Company.

SOUTHERN STATES.

Beaumont, Tex.—The Citizens' National Bank recently took possession of its new banking rooms, which are fitted up with handsome furniture and the latest and best vault and safe-deposit boxes.

This bank has been very successful, having accumulated $30,000 surplus and profits in the first fifteen months of its existence, besides paying $10,000 for the lease of the building just vacated. R. Oliver is President and E. J. Marshall and W. T. Campbell Vice-Presidents. A. D. Childress, who has made an enviable reputation for business ability as Secretary of the Beaumont Oil Exchange and Board of Trade, was recently elected Assistant Cashier. He will be elected Cashier at the annual meeting in January, succeeding W. L. Murphy, who retires owing to poor health. Hon. James S. Hogg, ex-Governor of Texas, is a leading stockholder in the bank and is at the head of the board of directors.

Natchitoches, La.—The Exchange Bank is putting up a new building, which will be two stories high and built of pressed brick and terra cotta. It will be equipped with all modern improvements, including steel burglar-proof vault and safety-deposit boxes.

Savannah, Ga.—An eight-story bank and office building is to be erected by the Germania Bank. It will be constructed of white marble and pressed brick and will be the largest and finest business building in the city. Efforts will be made to have the new structure ready for occupancy by October 1, 1903.

Condition of Georgia Banks.—State Treasurer R. E. Park has given out a statement showing the condition of the State banks in totals at the close of business on Sept. 8, 1902.

A summary of these statements of September 8, and a comparison with the figures of 1901, shows that the paid-in capital has increased during the year by $400,000, and that the surplus and net profits have increased $500,000. The deposits on September 8 were more than $4,000,000 greater than in 1901, while bills payable and rediscounts have fallen off. The banks have loaned out nearly $4,000,000 more than in 1901. Altogether the banks of the State make a most creditable showing.

Augusta, Ga.—The bank clearings in Augusta for the month of October were $11,488,069—the largest for any month since the clearing-house was established. They were more than two and a half millions larger than during October, 1901. The figures indicate a big increase in general business. The September clearings for 1902 were nearly three times as large as the September clearings for 1901, but this was accounted for by the fact that the early cotton season had rushed the staple to market. The receipts just now, however—the rush being over—are smaller than at the corresponding period of last year. The immense bank clearings therefore, mean increased general business independent of cotton receipts.

Banks of Oklahoma.—Paul F. Cooper, Territorial Bank Commissioner, recently announced the consolidated report of the Territorial banks of Oklahoma, at the close of business on September 12 last. The report shows a great increase in every way since the report of last June. The deposits are nearly one million dollars greater, the total resources are one million greater, and the average reserve held by the banks is 4½ per cent. greater. The number of banks reporting was 180, an increase of twenty-four since the previous report. Total deposits of the banks are about $7,000,000, and aggregate resources, $9,119,964.

WESTERN STATES.

St. Joseph, Mo.—The controlling interest in the First National Bank of Buchanan County has been purchased at a cost of $230,000, and a reorganization of the bank has taken place. J. W. McAllister is succeeded as Cashier by Walter P. Fulkerson, of Carthage, Mo. He resigned his position as National bank examiner to accept the management of the First National Bank. M. A. Low, of Topeka, Kan., general attorney for the Rock Island Railway, has been elected Vice-President. H. A. Forman, President of the Fourth National Bank of St. Louis, was elected a director.

The men who put up the major portion of the money necessary to buy the First National Bank stock are H. A. Forman and E. A. Faust. Mr. Faust is a son-in-law of Adolphus Busch and Vice-President of the Anheuser-Busch Brewing Company. Jacob M. Ford will remain President of the bank. H. M. Hundley and E. F. Hartwig will resign their places on the board of directors. The former sold all his stock to the new interests, which makes him ineligible as a director.

Cleveland.—A committee has been appointed by the Cleveland Trust Company to make preparations for the new building which the company intends to erect. It is probable that

a large bank and office building will be decided on, though possession of the ground acquired as a site for the structure can not be had for some time yet.

Chicago.—The Mercantile National Bank is reported to be in process of organization with $1,000,000 capital and $250,000 paid-in surplus.

—Owing to the recent death of James C. McNaughton, Assistant Cashier of the Bankers National Bank, there have been some changes in the officers of this institution. Charles Ewing, chief clerk, and Charles C. Willson, paying teller, have been appointed Assistant Cashiers.

Nebraska's Bank Deposits.—The total deposits of the 466 State banks in Nebraska are $36,656,000, as shown by the report of condition on September 15. This is an increase of $1,586,699, as compared with the last statement. Banks hold 36 2-3 per cent. of their total reserve, while the amount required by law is but 15 per cent.

Detroit, Mich.—On December 1 the title of the McLellan & Anderson Savings Bank will be changed to the United States Savings Bank, the officers, directors and business continuing as heretofore.

St. Paul, Minn.—At a recent meeting of the board of directors of the St. Paul National Bank A. C. Anderson was unanimously elected President, to fill the vacancy caused by the death of F. W. Anderson. W. B. Geery was appointed Cashier and W. B. Clow Assistant Cashier.

Mr. Anderson, the new President, has long been connected with the bank, and was Cashier prior to his promotion to the presidency. He has a wide acquaintance among the banking men of the country.

St. Louis.—H. P. Hilliard, Cashier of the Austin (Tex.) National Bank, has been appointed Cashier of the Mechanics' National Bank, to succeed C. O. Austin, who resigned recently to become Vice-President of the National Bank of North America, Chicago. Mr. Hilliard, who is a young man, is well known in financial circles throughout the Southwest, and has many friends in St. Louis. He was the last president of the Texas Bankers' Association, and is a member of the Texas World's Fair Commission. He holds the office of treasurer of the city of Austin, and has been identified with many enterprises in that city and in other parts of Texas.

—The St. Louis Chapter, American Institute of Bank Clerks, held its first meeting of the season on the evening of October 28 at its headquarters, 1600 Locust street. The chapter is composed of about 130 active members and seventy honorary members. R. M. Richter was elected president; John B. McGrath, vice-president; J. E. Conroy, secretary, and S. L. St. Jean, treasurer.

Cincinnati.—On October 15 the shareholders of the First National Bank voted to increase the capital from $1,200,000 to $3,000,000. It is the intention of the bank to erect a large bank and office building at the corner of Fourth and Walnut streets.

PACIFIC SLOPE.

San Francisco.—The French-American Bank is being organized with $600,000 capital already reported as subscribed.

—The annual meeting of the Bank of California was held recently, and the officers were all re-elected. The financial statement shows assets valued at $21,326,367, with $3,656,912 in cash on hand. The past year, according to the reports filed, was exceptionally prosperous. The regular quarterly dividend of $4 per share was declared payable.

—In a recent report the Board of Bank Commissioners recommend that the law which places an insolvent bank in the hands of directors for liquidation should be amended so that a Receiver may be appointed by a court for winding up such banks. The Commissioners also recommend that they be given supervisory powers over private banks as well as those incorporated under State laws.

Spokane, Wash.—President Glidden, of the Old National Bank, has sold his interest in the bank and control of the institution has been acquired by James C. Twohy, of Spokane; Peter Larson, of Helena; Thomas L. Greenough, of Missoula; J. D. Farrell, of Seattle, and D. W. Twohy of West Superior, Wis. D. W. Twohy has been elected President, and Peter Larson, Vice-President. W. D. Vincent, who has been with the bank since it was organized in 1891, will be retained as Cashier.

Wyoming State and Private Banks. — State Examiner Harry G. Henderson gives the following information regarding the State and private banks of Wyoming at the close of business, September 15: Deposits—State banks, $1,196,571; private banks, $1,345,509.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report. Names of officers and other particulars regarding these new National banks will be found under the different State headings.

National Banks Organized.

6442—First National Bank, Gallitzen, Pennsylvania. Capital, $25,000.
6443—Rappahannock National Bank, Washington, Virginia. Capital, $25,000.
6444—People's National Bank, Stewartstown, Pennsylvania. Capital, $25,000.
6445—First National Bank, Hawley, Pennsylvania, Capital, $30,000.
6446—First National Bank, Wessington Springs, South Dakota. Capital, $25,000.
6447—First National Bank, Dolgeville, New York. Capital, $25,000.
6448—First National Bank, Clarkfield, Minnesota. Capital, $25,000.
6449—Clarke National Bank, Minneapolis, Minnesota. Capital, $200,000.
6450—City National Bank, Norman, Oklahoma. Capital, $25,000.
6451—Citizens' National Bank, Paris, Illinois. Capital, $100,000.
6452—Citizens' National Bank, Connellsville, Pennsylvania. Capital, $100,000.
6453—First National Bank, Etna, Pennsylvania. Capital, $50,000.
6454—First National Bank, Steamboat Springs, Colorado. Capital, $25,000.
6455—Commercial National Bank, Sandusky, Ohio. Capital, $150,000.
6456—Manor National Bank, Manor, Pennsylvania. Capital, $25,000.
6457—First National Bank, Oakes, North Dakota. Capital, $25,000.
6458—Citizens' National Bank, Caldwell, Ohio. Capital, $60,000.
6459—First National Bank, Ortonville, Minnesota. Capital, $25,000.
6460—Farmers' National Bank, Grayville, Illinois. Capital, $50,000.
6461—Citizens' National Bank, Groesbeck, Texas. Capital, $25,000.
6462—Farmers' National Bank, Brookings, South Dakota. Capital, $50,000.
6463—First National Bank, Page, North Dakota. Capital, $25,000.
6464—Anoka National Bank, Anoka, Nebraska. Capital, $30,000.
6465—Merchants' National Bank, Quakertown, Pennsylvania. Capital, $50,000.
6466—Ravenna National Bank, Ravenna, Ohio. Capital, $100,000.
6467—First National Bank, Ivanhoe, Minnesota. Capital, $25,000.
6468—First National Bank, Hendricks, Minnesota. Capital, $25,000.
6469—National Bank of De Pere, De Pere, Wisconsin. Capital, $50,000.
6470—Sandy Hill National Bank, Sandy Hill, New York. Capital, $50,000.
6471—Citizens' National Bank, Italy, Texas. Capital, $25,000.
6472—Citizens' National Bank, Sugar City, Colorado. Capital, $25,000.
6473—First National Bank, Milbank, South Dakota. Capital, $25,000.
6474—First National Bank, Forman, North Dakota. Capital, $25,000.
6475—First National Bank, Omemee. North Dakota. Capital, $25,000.
6476—Citizens' National Bank, Abilene, Texas. Capital, $75,000.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice:

First National Bank, Massena, New York; by Lorenzo A. Smith, *et al.*
Eldorado National Bank, Eldorado, Kansas; by J. L. Bowdish, *et al.*
Farmers' National Bank, Minnesota Lake, Minnesota; by Thomas M. Keogan, *et al.*
First National Bank of Grant County, Canyon City, Oregon; by R. H. Miller, *et al.*
First National Bank, Bethany, Missouri; by W. M. Dunn, *et al.*
Alva National Bank, Alva, Oklahoma; by H. K. Bickford, *et al.*
First National Bank of Porto Rico, San Juan, Porto Rico; by Wm. Schall, Jr., *et al.*
First National Bank, Cambridge Springs, Pennsylvania; by H. W. Canfield, *et al.*
Corinth National Bank, Corinth, New York; by Frederick E. Pruyn, *et al.*
Stapleton National Bank, Stapleton, New York; by Robert D. Kent, *et al.*
People's National Bank, Prosperity, South Carolina; by H. C. Moseley, *et al.*

American National Bank, Los Angeles, California; by H. C. Witmer. *et al.*
Masontown National Bank, Masontown, Pennsylvania; by E. W. Sterling, *et al.*
Citizens' National Bank, Ferris, Texas; by J. A. Carpenter, *et al.*
Citizens' National Bank, Lehighton, Pennsylvania; by Frank W. Larned, *et al.*
Dresden National Bank, Dresden, Ohio; by John Hornung, *et al.*
First National Bank, Milton, North Dakota; by H. G. Halverson, *et al.*
First National Bank, Dolliver, Iowa; by J. P. Kirby, *et al.*
First National Bank, Libertyville, Illinois: by H. G. Gardner, *et al.*
Mercantile National Bank, Chicago, Illinois; by Theodore K. Long, *et al.*
First National Bank, Runge, Texas; by E. G. Gillette, *et al.*
Runge National Bank, Runge, Texas; by J. D. Anderson, *et al.*
Merchants and Manufacturers' National Bank, Sharon, Pennsylvania; by John Carley, *et al.*
First National Bank, Chatfield, Minnesota; by A. L. Ober. *et al.*
First National Bank, Gilmore, Iowa; by B. L. Willis. *et al.*
First National Bank, Coweta, Indian Territory: by J. H. Leavitt, *et al.*
First National Bank, Nederland, Texas; by E. Rockhill, *et al.*
First National Bank, Osceola Mills, Pennsylvania; by John McLarren, *et al.*
Washington National Bank, St. Louis, Missouri; by David Rosenstreter, *et al.*
First National Bank, Steward, Illinois: by E. L. Titus. *et al.*
Dosbaugh National Bank, Cedar Vale, Kansas; by J. M. Dosbaugh, *et al.*
First National Bank, Fayetteville, Arkansas; by L. H. Gibson, *et al.*
First National Bank, Atkinson, Nebraska; by Ed. F. Gallagher, *et al.*
Lawton National Bank, Lawton, Oklahoma; by T. H. Dunn, *et al.*
First National Bank, Leipsic, Ohio; by G. O. French, *et al.*
New Alexandria National Bank, New Alexandria, Pennsylvania; by John B. Steel, *et al.*
First National Bank, Whiting, Indiana; by Gallus J. Bader, *et al.*
First National Bank, Caldwell, Texas; by Wm. Reeves, *et al.*
Philson National Bank, Berlin, Pennsylvania; by Robert Philson, *et al.*
Boyd National Bank, Boyd, Minnesota; by Lloyd G. Moyer, *et al.*
Drovers' Deposit National Bank, Chicago, Illinois; by Wm. H. Brintnall. *et al.*
Milton National Bank, Milton, North Dakota; by David H. Beecher, *et al.*
First National Bank, Quinton, Indian Territory; by R P. Brewer, *et al.*
Morrisville National Bank, Morrisville, Pennsylvania; by Geo. T. Turner, *et al.*
First National Bank, Tifton, Georgia; by O. D. Gorman, *et al.*
Citizens' National Bank, Hollidaysburg, Pennsylvania; by R. H. Spendley, *et al.*
American National Bank, Spartanburg, South Carolina; by J. H. Sloan, *et al.*
Midway National Bank, Midway, Pennsylvania; by D. G. Bamford, *et al.*
First National Bank, South Fork, Pennsylvania; by N. S. George, *et al.*
First National Bank, Osceola, Nebraska; by W. H. Myers, *et al.*
First National Bank, Huntington, New York; by Horatio Hall, *et al.*

Application for Conversion to National Banks Approved.

State Bank, Cambridge, Nebraska; into First National Bank.
Bank of La Moure, La Moure, North Dakota; into First National Bank.
Citizens' State Bank, Lakefield, Minnesota; into First National Bank.
Security Bank of Dakota, Howard, South Dakota, into First National Bank.

NEW BANKS BANKERS, ETC.,

ALABAMA.

Huntsville—W. R. Rison Banking Co.; capital, $75,000.

Mobile—Central Trust Co.; capital, $250,000; Pres., F. B. Merrill.——City Bank & Trust Co.; capital, $500,000.

Tuscaloosa—Mutual Trust & Savings Association; Pres., John S. Hanly, Treas., Geo. A. Searcy; Sec., W. F. Fitts.

ALASKA.

Valdez -Bank of Valdez & Safe Deposit Vaults; S. A. Hemple, Proprietor.

ARIZONA.

Naco—Bank of Naco.

Nogales—Banco de Sonora; F. Peltier, Mgr.; Cas., A. Mascarenas.

Thatcher—Graham County State Bank; Pres., L. E. Wightman; Cas., W. H. Rhodes.

ARKANSAS.

Carlisle—Dairyman's Bank; capital, $5,000; Pres., M. A. Thompson; Vice-Pres., B. D. Muzzy; Treas., P. W. Eichlin.

Little Rock—People's Savings Bank; Pres., W. E. Lenon; Treas., A. J. Mercer.

Lockesburg—Bank of Lockesburg; capital, $25,000; Pres., A. C. Steel; Sec. and Treas., Geo. Vaughn.

Okolona—Bank of Okolona; capital, $12,500; Pres. W. B. East; Cas., Geo. Spencer.

Rison—Bank of Rison; Pres., N. A. McKinney; Cas., J. T. Renfrew.

TILLAR — Bank of Tillar; capital, $12,500; Pres., A. C. Stanley; Cas., J. M. Thompson.

VANNDALE—Bank of Vanndale; capital, $20,000; Pres., John W. Killough.

CALIFORNIA.

EXETER—Bank of Exeter; capital, $300,000; Pres.. E. J. Norcross; Cas., Fred. Norcross.

SAN FRANCISCO — French-American Bank; capital, $600,000.

COLORADO.

PUEBLO—Pueblo Title & Trust Co. (successor to Pueblo National Bank); capital, $250,000; Pres., H. E. Woods; Vice-Presidents, Charles W. Crews and Irving W. Bonbright; Treas., F. M. Woods; Sec., J. A. Small.

STEAMBOAT SPRINGS—First National Bank; capital, $25,000; Cas.. C. A. Van Dorn.

SUGAR CITY—Citizens' National Bank; capital, $25,000; Cas., J. E. Williams,

SULPHUR SPRINGS—Brank of Grand; Pres., J. T. Wills; Cas., Frank M. Briggs.

FLORIDA.

JACKSONVILLE — Capital Trust & Inv. Co. (successor to Capital Trust Co.); capital, $10,000; Pres., S. H. Hart; Cas., E. W. Robinson.

PERRY — Bank of Perry; capital, $15,000; Pres., J. F. Lewis; Cas., G. B. Battle.

ST. PETERSBURG — West Coast Bank; capital, $25,000; Pres., John Trice; Cas., John M. Clark.

GEORGIA.

WOODBURY—Woodbury Banking Co., capital. $25,000; Pres., L. O. Benton; Cas., T. J. Marshall.

ZEBULON—Bank of Zebulon; Branch of Citizens' Bank, Barnesville.

IDAHO.

LEWISTON—Idaho Trust Co.: capital, $125,000: Pres., Frank W. Kettenbach; Vice-Pres., Marcus Simpson,

MAGNOLIA — Vollmer Clearwater Co. Bank; Branch of First National Bank, Lewiston.

MERIDIAN — Meridian Exchange Bank; Branch Capital State Bank, Boise.

PECK—Reservation Bank; Pres., E. J. Dyer; Cas., C. M. Keep.

ST. ANTHONY — St. Anthony Banking Co. (successor to Bank of St. Anthony); capital, $15,000; Pres., G. C. Baker,

SILVER CITY—Owyhee County Bank; capital, $25,000: Cas., A. S. Bibbins; Asst. Cas., Thomas U. Meyer.

ILLINOIS.

ATWOOD—Merchants & Farmers' Bank; Pres., E. S. Keener; Cas., R. H. Dorman.

GRAYVILLE—Farmers' National Bank; capital, $50,000; Pres., Geo. P. Bowman; Vice-Pres., Samuel P. Ronalds: Cas., Edwin P. Bowman; Asst, Cas.. Hagh L. Ronalds.

HAMILTON—People's State Bank; capital, $25,000; Pres., Sullivan Hanson; Cas., H. G. Williams.

PARIS—Citizens' National Bank; capital, $100,000; Pres., J. D. Hunter; Cas., James D. Barr.

PRAIRIE DU ROCHER—Bank of Prairie Du Rocher; capital, $15,000; Pres., W. R. Borders; Cas., E. S. Needles.

TRIVOLI—Bank of Trivoli: capital, $10,000.

WALNUT—Citizens' Bank; Pres., W. D. Metger; Cas., Frank Oakfield.

INDIANA.

ANDREWS—Bank of Andrews; Cas., C. E. Endicott.

DALEVILLE—Commercial Bank: Pres., Geo. O. Suman; Cas., J. N. Bernard.

FOUNTAIN CITY—Fountain Bank; Pres., Jonathan A. Peelle; Cas., Thomas Brennan.

INDIANAPOLIS—Arrick & Co.; capital, $25,000.

KOUTS—Bank of Kouts; Pres., Robert Parker; Cas., F. W. Shaffner.

LAFAYETTE—Wm. S. Baugh & Co.; Cas., H. H. Baugh; Asst. Cas., S. Rouse.

INDIAN TERRITORY.

ALLEN—First Bank; Pres., S. D. Harper; Cas.. F. O. Harris.

BIXBY—J. F. Pautler, Mgr.

SAPULPA—Territorial Trust and Savings Bank; capital, $26,000; Pres., Clarence L. Leeds; Cas., B. C. Baumgardner.

TERRAL—Bank of Terral; capital, $12,000; Pres.. Stephen Brown; Cas., James K. Matthews.

TULSA—Farmers' State Bank; capital, $10,000; Pres., S. Wallace Marr; Vice-Pres., M. L. Fife; Cas., R. B. Marr.

IOWA.

CANTRIL—Cantril Savings Bank; capital, $10,000: Pres., C. I. Manning; Cas., A. B. Guy.

COLO—Colo Savings Bank; capital, $25,000; Pres., C. C. King; Cas., D. F. Bartlett.

HASKINS—Haskins Savings Bank.

LANESBORO—Farmers' Bank; capital, $15,000; Pres., Alex. McHugh; Vice-Pres., Abram Cain; Cas., F. W. Wohlenberg; Asst. Cash., Edwin Cole.

MADRID—Bank of Madrid; Pres., Charles R. Brenton; Cas., Tom F. Nance; Asst, Cas., Guy H. Hall.

SHAMBAUGH—J. L. McLean.

TOLEDO—Fidelity Savings Bank; capital, $10,000; Pres., L. B. Blinn; Cas., W. A. Dexter; Asst. Cas., J. N. Lichty.

YETTER—Citizens' Bank: Cas., C. E. Richards.

KANSAS.

BANCROFT—State Bank; capital, $7,000; Pres., Robert Thornburrow; Cas.. C. W. Beightel.

BUHLER—Buhler State Bank; capital, $5,000; Pres., J. J. Wall; Cas., A. B. Buhler.

LEAVENWORTH—Kansas and Missouri State Savings Bank: capital, $25,000; Pres., E. A. Kelly; Cas.. Frederick D. Bolman.

NEWTON- Kansas State Bank; capital, $60,-000; Pres., B. Warkentine; Cas., C. W. Goss.

TOPEKA—Shawnee State Bank; capital, $50,-000; Pres., Thomas Page; Cas.. F. C. Elsmore.

WEBBER—State Bank; capital, $5,000; Pres., W. H. Dick; Cas., M. R. Dick.

KENTUCKY.

BURKSVILLE—Burksville Banking Co.; capital, $20,000.

MARROWBONE—Bank of Marrowbone; capital, $15,000; Pres., J. A. Dixon; Cas., S. J. Pace; Asst. Cas., Mary Dixon.

WHITESBURG—Letcher County State Bank.

LOUISIANA.

ALEXANDRIA — Commercial Bank; capital, $75,000; Pres., A. Albert; Vice-Pres., L. A. Stafford; Cashier. C. F. Crockett.

DODSON—Dodson State Bank; capital, $10,-000; Pres., S. W. Smith, Jr.; Cas., R. S. Smith, Jr.

ST. MARTINSVILLE—Commercial Bank; capital, $30,000; Pres., T. J. Labbe; Cas., O. Durand.

MAINE.

BATH—Bath Trust Co.; Pres., Albert Shaw; Treas., Wm. D. Messenden.

MICHIGAN.

TUSTIN—Bank of Tustin; capital, $5,000.

WOLVERINE — Bank of Wolverine (Buck & Bolton).

MINNESOTA.

AMBOY — Minnesota State Bank; capital, $10,000; Pres., J. A. Reagan; Cas., W. E. Schmidt.

ARLINGTON—Merchants' State Bank; Pres., Theo. Streesugh.

BARRY—Bank of Barry; Pres., A. D. O'Brien; Cas., L. A. Lien.

BECKER—Bank of Becker; capital, $5,000; Pres., J. M. Haven; Cas., W. B. Cruzen.

CLARKFIELD—First National Bank; capital, $25,000; Pres., John B. Piersol; Vice-Pres., Enneval Monson; Cas., Geo. J. Piersol.

DANVERS—Bank of Danvers; capital, $6,000.

DULUTH — Duluth Savings Bank; capital, $100,000; Pres., John R. Mitchell; Cas., J. W. Lyder, Jr.; Sec., B. M. Peyton.

EVANSVILLE—Evansville State Bank; capital, $10,000; Pres., Tollef Jacobson; Cas., Oscar Lindstrom; Asst. Cas., O. J. Walton.

HENDRICKS—First National Bank (successor to Lincoln Co. State Bank); capital, $25,000; Pres., John Swenson; Cas., L. M. Lerwick.

IVANHOE — First National Bank; capital, $25,000; Pres., John Swenson; Cas., George Graff.

KASSON—Farmers' State Bank; capital, $15,-000; Pres., H. W. Brown; Cashier, W. N. Parkhurst.

LEWISTON—First State Bank; capital, $15,-000; Pres., Geo. Pfefferkorn; Cas., Alvin Schwager.

LITTLE FALLS—Merchants' State Bank; capital, $50,000; Pres., G. F. Kirscher; Cas., H. A. Warner.

MINNEAPOLIS—Clarke National Bank; capital, $200,000; Pres., A. D. Clarke; Cas., S. P. Barr.

MOUNTAIN LAKE—State Bank; Pres., Wm. P. Remple; Cas., J. H. Dickman; Asst. Cas., J. J. Remler.

NICOLLET—Nicollet Bank; Pres., G. Gutterson; Cas., W. F. Stege.

ORTONVILLE—First National Bank (successor to Bank of Ortonville); capital $25,000; Pres., R. Norrish; Cas., E. J. Weiser; Asst. Cas., O. I. Chamberlin.

SPARTA—Bank of Sparta; Pres., G. H. Taylor; Cas., F. B. Myers.

WALKER—Walker State Bank; capital, $12,-000; Pres., E. P. I. Stead; Cas., Fred. A. Kneeland.

WOLVERTON—Wolverton State Bank; capital, $10,000; Pres., Wm. S. Schee; Cas., G. G. Meade.

MISSOURI.

BLAND—Bland Commercial Bank; capital, $10,000; Pres., Louis Linke; Cas., L. F. Neese.

HARDIN—Farmers & Traders' Bank; capital $25,000; Pres., S. C. Robinson; Cas., A. H. Suter.

HATFIELD—Bank of Hatfield; Pres., R. W. Powell; Cas., J. H. Gatley.

MARTHASVILLE—Marthasville Bank; capital, $10,000; Pres., Frank Riemier; Cas., John H. Bierbaum.

NEBRASKA.

ANOKA — Anoka National Bank; capital, $30,000; Pres., Will D. Forbes; Cas., S. A. Richardson.

BRUNSWICK — Brunswick Bank; capital, $8,000; Pres., S. H. Sornborger; Cas., M. M. Sornborger.

CAIRO — Cairo State Bank; capital, $5,000; Pres., C. F. Bentley; Cas., J. H. Harrison.

FARNAM—State Bank; capital, $5,000; Pres., Hugh Ralston; Cas., L. W. Ralston.

SPENCER — Corn Exchange Bank; capital, $15,000; Pres., Ed. Rinard; Cas., John Frostrom; Asst. Cas., Robert Lynn.

VERDIGRIS—Knox County Bank; capital, $30,000; Pres., D. P. Welpton; Cas., F. B. Welpton.

NEVADA.

RENO—Farmers and Merchants' Bank; capital, $100,000; Pres., W. J. Westerfield; Cas., A. F. Tooley; Asst. Cash., A. H. Smith.

NEW JERSEY.

ATLANTIC CITY—Marine Trust Co.; Pres., Louis Kuehnle; Sec. and Treas., Joseph A. McNamee.

NEWARK—Newark Loan and Trust Co.; capital, $200,000.

ORANGE—Mutual Trust Co.; capital, $100,000.

NEW YORK.

DOLGEVILLE—First National Bank; capital,

$25,000; Pres., Charles S. Millington; Cas., Willis Maine.

LAWRENCE—Bank of Lawrence; capital, $50,-000; Pres., Talbot J. Taylor.

NEW YORK—Federal Bank; capital, $100,000; Pres., David Rothschild; Vice-Pres., F. P. Abercrombie; Cas., Cornelius B. Outcalt.

SANDY HILL—Sandy Hill National Bank (successor to National Bank of Sandy Hilll; capital, $50,000; Pres.. L. W. Cronkhite; Cas., Charles T. Beach.

NORTH CAROLINA.

GOLDSBORO—Commercial and Savings Bank; capital, $15,000; Pres., G. A. Norwood, Jr.; Cas., James S. Crawford.

MONROE—Bank of Union.

WHITEVILLE—Bank of Whiteville; capital, $10,000; Pres., J. A. Brown.

NORTH DAKOTA.

ELMO—First State Bank of Marion; capital, $9,000; Pres., W. H. Cox; Cas., Wesley C. McDowell.

FORMAN—First National Bank; capital, $25,-000; Pres., J. L. Mitchell; Cas., R. L. Himebaugh.

MANFRED—First State Bank; capital, $6,000; Pres., T. L. Beisecker; Cas., S. H. Ongstad.

NOME—First Bank; capital, $5,000; Pres., Thomas Casey; Cas., C. E. Batcheller.

OAKES—First National Bank (successor to Bank of Oakes); capital, $25,000: Pres., Thomas F. Marshall; Cas., H. Clay McCartney.

OMEMEE—First National Bank; capital, $25,-000; Pres., F. W. Cathro; Cas., Jas. Wright.

PAGE—First National Bank; capital, $25,-000; Pres., L. B. Hanna; Cas., W. J. Morrish.

WEBSTER—Bank of Webster; organizing.

WILLOW CITY—Willow City State Bank; capital, $15,000; Pres., Frank M. Rich; Cas., Emery A. Olmstead.

OHIO.

ALGER—Fred Rowalt.

BALTIC—Bank of Baltic; capital, $8,000; Pres., B. C. Fisher; Cas., H. C. Gerber; Asst. Cas., Seth Gerber.

CALDWELL—Citizens' National Bank; capital, $60,000; Pres., O. O. McKee.

LORAIN—Daniels & Co.

OAK HILL—Oak Hill Savings Bank Co. (successors to Farmers' Bank).

ORANGEVILLE—Orangeville Savings Bank Co.; capital, $12,500; Pres., J. H. Morrison; Cas., W. D. Gray; Asst. Cas., Ed. Hyde.

RAVENNA—Ravenna National Bank; capital, $100,000; Pres., Chas. Mertz; Cas., Robert B. Carnahan.

RAWSON—Commercial Bank (branch Commercial Bank and Savings Co., Bluffton).

SANDUSKY—Commercial National Bank; capital, $150,00; Pres., John Whitworth; Cas., Wm. L. Allendorf.

OKLAHOMA.

ARCADIA—Bank of Arcadia; capital, $5,000.

ASHER—Canadian Valley Bank; capital, $10,-000; Pres., Peter Brandenberg; Cas., Reid Riggins.

CEMENT—Cement State Bank; capital, $5,000; Pres., John Kennedy; Cas., W. S. Yeager.

ELDORADO—Bank of Eldorado; capital, $5,-000; Pres., Jno. S. Calloway; Cas., J. H. Whiteside.

GRAY HORSE—Osage Bank; capital, $5,000; Pres., E. F. Sparrow; Cas.; S. B. Berry.

HEADRICK—Headrick State Bank; capital, $5,000; Pres., John B. Jones; Cas., I. O. Greason.

KAW CITY—Bank of Commerce; capital, $10,-000; Cas., J. S. Eastman.

LENORA—Lenora State Bank; capital, $6,000; Pres., Wm. Boder; Cas., E. S. Dixson.

NORMAN—City National Bank; capital, $25,-000; Pres., D. B. Wynne; Cas., J. G. Lindsay.

PENNSYLVANIA.

CONNELLSVILLE—Citizens' National Bank; capital, $100,000: Pres., F. C. Markell; Cas., Robert W. Soisson.

ETNA—First National Bank; capital, $50,000; Pres., Robert Malone; Vice-Pres., W. B. Kroesen; Cas., C. J. M. Stoll.

GALLITZEN—First National Bank; capital, $25,000; Pres., Elmer Nelson; Cas., H. S. Smith.

HAWLEY—First National Bank; capital, $80,-000; Pres., Lot Atkinson.

MANOR—Manor National Bank; capital, $25,-000; Pres., H. A. Lauffer; Cas., Dean Clark.

MAUCH CHUNK—Mauch Chunk Trust Co. (successor to Second National Bank); capital, $150,000; Pres., J. M. Dreisbach; Sec. and Treas., Geo. Dreisbach.

PHILADELPHIA—Italo-American Trust Co.; Pres., F. P. Selvaggio; Treas., E. Buornissi.

PITTSBURG—Merchants' Savings and Trust Co.

QUAKERTOWN—Merchants' National Bank; capital, $50,000; Pres., James H. Shelly; Cas., John D. Moyer.

STEWARTSTOWN—People's National Bank; capital, $25,000; Pres., Augustus Neller; Cas., Chas. F. Ramsay.

SOUTH CAROLINA.

GRANITEVILLE—Bank of Graniteville; capital, $25,000; Pres., W. A. Giles; Cas., C. B. Willis.

SOUTH DAKOTA.

AVON—Bank of Avon; capital, $7,500.

BRISTOL—First State Bank; capital, $5,000; Pres., M. Meuer; Cas., C. B. Knott.

BROOKINGS—Farmers' National Bank; capital, $50,000; Pres., Wm. A. Caldwell; Cas., Thomas L. Chappell.

CAMP CROOK—Little Missouri Bank; capital, $5,000; Pres., John Clay, Jr.; Cas., A. H. Marble; Asst. Cas., A. R. McDermott.

HARTFORD—Savings Bank of Hartford; cap-

ital, $10,000; Pres., John Mundt; Cas., E. W. Munson.

MILBANK—First National Bank (successor to First State Bank); capital, $25,000; Pres., F. B. Roberts; Cas., Geo. C. Middlebrook.

SPRINGFIELD—Bank of Springfield; Pres., Geo. W. Snow; Cas., Charles Hill.

TRENT—Trent State Bank; capital, $10,000; Cas., L. A. Ball.

WESSINGTON SPRINGS—First National Bank; capital, $25,000; Pres., W. T. McConnell; Cas., E. B. Maris.

TEXAS.

ABILENE—Citizens' National Bank; capital, $75,000; Pres., J. M. Wagstaff; Cas., W. J. Thompson.

BARRY—Barry Exchange Bank; capital, $10,000; Pres., M. G. Young; Cas., F. H. Simpson.

DAWSON—J. A. Buckingham.

CHANNING—Bank of Channing.

GROESBECK—Citizens' National Bank; capital, $25,000; Pres., C. S. Bradley; Cas., Dan Parker.

ITALY—Citizens' National Bank; capital, $25,000; Pres., J. C. Couch; Cas., Fount Ray.

ROSCOE—Exchange Bank.

WINDOM—Bank of Windom.

VIRGINIA.

BELFIELD—Greensville Bank (branch); Cas., Carter N. Williams.

BIG STONE GAP—Interstate Finance & Trust Co. (successor to Rufus A. Ayres & Co.); capital, $50,000; Pres., Rufus A. Ayres; Treas., R. P. Barron; Sec., S. D. Green.

BOYKINS—Meherrin Valley Bank; capital, $10,000; Pres., J. L. Barham; Cas., T. J. Powell.

LAWRENCEVILLE—Bank of Brunswick; capital, $25,000; Pres., E. P. Buford; Cas., J. H. Drewry.

NORFOLK—Virginia-Carolina Trust Co.; capital, $250,000; Pres., W. W. Moss; Treas., George J. Twohy.

WASHINGTON—Rappahannock Nat. Bank (successor to Branch of Farmers & Merchants' Bank); capital, $25,000; Pres., H. M. Dudley; Cas., C. R. Wood.

WASHINGTON.

CHEWELAH—Bank of Chewelah; Cas., T. A. Winter.

WEST VIRGINIA.

WESTON—Lewis County Bank; capital, $60,000; Pres., Louis Bennett; Cas., J. S. Vandervort; Asst. Cas., E. A. Rinehart.

WISCONSIN.

DALLAS—Bank of Dallas; capital, $3,000; Pres., Geo. F. Vorland; Cas., Erland Engh.

DE PERE—National Bank of De Pere; capital, $50,000; Pres., A. G. Wells; Cas., Hugo Kiel.

FREDERIC—Bank of Frederic; capital, $25,000; Pres., Louis A. Copeland.

KENOSHA—Kenosha Trust Co.; capital, $50,000.

WYOMING.

GILLETTE—Bank of Gillette; capital, $10,000; Pres., J. W. Rogers; Cas., W. D. Townsend.

CANADA.

BRITISH COLUMBIA.

LADYSMITH—Canadian Bank of Commerce.

MANITOBA.

BRANDON—Dominion Bank; E. C. Bowker, Manager.

EMERSON—Bank of Ottawa.

MACGREGOR—Merchants' Bank of Canada (successor to Logan & Co.

MORRIS—Merchants' Bank of Canada; Mgr., W. A. Allan.

ONTARIO.

CALEDONIA—Bank of Hamilton.

LAKEFIELD—Traders' Bank; R. P. Davidson, Mgr.

NOVA SCOTIA.

SIDNEY MINES—Bank of Nova Scotia; H. L. Shaw, Mgr.

NORTHWEST TERRITORY.

FRANK—Union Bank of Canada.

RAYMOND—Union Bank of Canada.

WAPELLA—Union Bank of Canada.

CHANGES IN OFFICERS, CAPITAL ETC.

ALABAMA.

DEMOPOLIS—Robertson Banking Co.; John R. Robertson, Pres., deceased.

ARKANSAS.

WALDRON—First National Bank; L. P. Fuller, Pres. in place of D. A. Edwards; Hubert J. Hall, Vice-Pres. in place of L. P. Fuller; J. M. Thompson, Cas. in place of E. M. Fuller.

ARIZONA.

CLIFTON—First National Bank; P. P. Greer, Cas. in place of S. F. Sullenberger.

CALIFORNIA.

FRESNO—Farmers' National Bank; S. Goldstein, Pres. in place of A. Kutner.

SAN FRANCISCO—Western National Bank; H. S. Miller, Vice-Pres. in place of E. F. Preston; F. L. Holland, Asst. Cas.

CONNECTICUT.

HARTFORD—American National Bank; W. J. Dixon, Cas.; no Asst. Cas. in place of W. J. Dixon.

STAMFORD—Stamford National Bank; S. Merritt, Pres. in place of Chas. A. Hawley.

FLORIDA.

PENSACOLA—American National Bank; M. E. Clark, Cas. in place of F. C. Horton; John Pfeiffer, Asst. Cas.

GEORGIA.

GRANTVILLE—Bank of Grantville; J. W. Colley, Pres., deceased.

THOMASVILLE—Thomasville National Bank; Samuel L. Hayes, Pres., deceased.

ILLINOIS.

CHICAGO—Oakland National Bank; F. D. Tucker, Asst. Cas. in place of B. M. Kelly.

JACKSONVILLE—Ayers National Bank; John A. Ayers, Pres. in place of M. P. Ayers, deceased; C. G. Rutledge, Cas. in place of John A. Ayers; W. W. Ewing, Asst. Cas. in place of C. G. Rutledge.

KANKAKEE—First National Bank; H. J. Legris, Cas. in place of J. Frank Leonard.

MATTOON—Mattoon National Bank; Fred Grant, Asst. Cas.

INDIANA.

HUNTINGTON—First National Bank; I. H. Heaston, Pres. in place of Wm. McGrew; Chas. McGrew, Vice-Pres.; J. R. Emley, Cas. in place of S. F. Dick.

WEST BADEN—West Baden National Bank; Adam Burton, Vice-Pres.; Eugene Heine, Asst. Cas.

INDIAN TERRITORY.

ADA—First National Bank; W. F. Reed, Pres. in place of E. F. Dunlap; H. T. Douglas, additional Vice-Pres.

DUNCAN—First National Bank; W. A. Williams, Second Vice-Pres. in place of J. M. Armstrong; J. M. Armstrong, Cas. in place of H. L. Overton.

DURANT—Durant National Bank; James R. McKinney, Vice-Pres. in place of Tom Hale and C. T. Ingram; T. E. Pendleton, Cas. in place of James R. McKinney.

SAPULPA—First National Bank; Carl W. Lehnhard, Pres. in place of L. C. Parmenter; Willis W. Lehnhard, additional Asst. Cas.

IOWA.

CRYSTAL LAKE—First National Bank; F. A. Keup, Asst. Cas. in place of Ole Erickson.

ESSEX—First National Bank; N. C. Nelson· Vice-Pres. in place of H. I. Foskett; G. J. Liljedohl, Cas. in place of N. C. Nelson.

SPIRIT LAKE—First National Bank; C. E. Narey, Cas. in place of L. D. Goodrich.

KANSAS.

CANEY—Home National Bank; Jno. M. Cunningham, Cas. in place of E. G. Allen.

HAVENSVILLE—First National Bank; S. H. Stockwell, Cas. in place of T. J. Richardson.

KENTUCKY.

LEXINGTON—Lexington City National Bank; J. W. McMeekin and J. E. McFarland, Asst. Cas. in place of Geo. H. Harting.

LOUISIANA.

JEANERETTE—Bank of Jeanerette; F. J. Druilhet, Cas. in place of A. D. Foster; Jos. F. Moore, Asst. Cas.

MAINE.

PORTLAND—Portland National Bank; Edward L. Piper, Asst. Cas.

MASSACHUSETTS.

ABINGTON—Abington National Bank; Chas. N. Cobb, Pres., deceased.

GLOUCESTER—City National Bank; capital increased to $250,000.

LOWELL—Appleton National Bank; Charles H. Allen, Pres. in place of Geo. W. Fifield; Fred H. Ela, Cas., resigned.

SHELBURNE FALLS—Shelburne Falls Savings Bank; G. W. Jenks, Pres. in place of F. A. Ball.

WORCESTER—First National Bank; William D. Lucy, Pres. in place of Albert G. Waite, deceased.

MICHIGAN.

DETROIT—McLellan & Anderson Savings Bank; title changed to United States Savings Bank.

JACKSON—People's National Bank; Wiley W. Reynolds, Pres., deceased.——Jackson State Savings Bank; Benjamin Newkirk, Pres., deceased.

MINNESOTA.

SAUK CENTRE—Merchants' National Bank; M. Hogan, Vice-Pres.; G. C. Ingram, Cas.

ST. PAUL—St. Paul National Bank; A. C. Anderson, Pres. in place of F. W. Anderson, deceased; W. B. Geery, Cas. in place of A. C. Anderson; W. B. Clow, Asst. Cas. in place of W. B. Geery.

WABASHA—First National Bank; C. H. Johnson, Asst. Cas., deceased.

WASECA—Citizens' State Bank; J. B. Sullivan, Cas. in place of R. Miller.

MISSISSIPPI.

BILOXI—People's Bank; capital increased to $50,000.

MISSOURI.

ST. JOSEPH—First National Bank of Buchanan County; Walter P. Fulkerson Cas., in place of J. W. McAlister.

ST. LOUIS—Mechanics' National Bank; H. P. Hilliard, Cas. in place of Charles O. Austin.

MONTANA.

BIG TIMBER—Big Timber National Bank; capital increased to $100,000.

BILLINGS—Yegen Bros. Savings Bank; G. F. Burla, Cas., resigned.

NEBRASKA.

CLEARWATER—State Bank; John Payne, Pres., deceased.

COZAD—First National Bank; N. Brownfield, Vice-Pres. in place of E. E. Davies; Charles Ward, Cas. in place of T. E. Bennison.

HASTINGS—First National Bank; W. A. Taylor, Asst. Cas.

SCHUYLER—First National Bank; no Cas. in place of W. A. Rathsack; L. T. Bryant, Asst. Cas.

NEW HAMPSHIRE.

BERLIN—Berlin National Bank; Q. A. Bridges, Cas. in place of J. J. Bell.

NEW JERSEY.

CAMDEN—Security Trust Co. and New Jersey Trust and Safe Deposit Co.; consolidated under former title.

NEWARK—Fidelity Trust Co.; capital increased to $6,500,000.

NEWTON—Sussex National Bank: Theodore Morford, Pres. in place of David R. Hull; L. M. Morford, Cas. in place of Theodore Morford; C. S. Steele, Asst. Cas. in place of L. M. Morford.

VINELAND—Vineland National Bank; Harry H. Pond, Cas. in place of C. H. Anderson.

NEW YORK.

BROOKLYN—Stuyvesant Heights Bank; David A. Sullivan Pres. in place Ludwig Nissen.——Manufacturers' Trust Co.; absorbed by Title Guaranty and Trust Co.

BUFFALO—Buffalo Savings Bank; Edward G. Becker, Sec. in place of John U. Wayland; Julius J. Ehrlich, Asst. Sec.

CATSKILL—Catskill National Bank; John H. Bagley, Vice-Pres., deceased.

FULTON—Fulton Savings Bank; Henry E. Nichols, Treas., deceased.

HAVERSTRAW—People's Bank; Oscar E. Reynolds, Asst. Cas.

NEW YORK—New York County National Bank; Frederick Fowler, Cas. in place of Charles G. Dale, deceased.——Northern National Bank: Peter Rado, Cas. in place of Charles G. Balmanno.——Wells, Fargo & Co.'s Bank; Homer S. King, Pres.——Excelsior Savings Bank; A. L. Ashman, Vice-Pres., deceased.——Leather Manufacturers' National Bank; G. W. McGarrah, Pres. in place of N. F. Palmer.——Albert Loeb & Co.; Albert Loeb, deceased.

SYRACUSE—National Bank of Syracuse; F. C. Eddy, 2d Vice-Pres.; C. H. Sanford, Cas. in place of F. C. Eddy.

TULLY—First National Bank; F. L. Burdick, Cas. in place of Willis Maine.

NORTH CAROLINA.

FAYETTEVILLE—National Bank of Fayetteville; W. M. Morgan, Pres.; E. H. Williamson, Vice-Pres., C. J. Cooper, Cas., in place of C. J. Ahearn.

KINSTON—Bank of Kinston; Wm. C. Fields, Vice-Pres., deceased.

WILMINGTON—Atlantic National Bank; Jno. S. Armstrong, Pres., in place of J. W. Norwood; no Vice-Pres.

NORTH DAKOTA.

CHURCHS FERRY—First National Bank: H. E. Baird, Vice-Pres.; H. C. Hansen, Cas.

OHIO.

BARBERTON—First National Bank: O. C. Barber, Pres., in place of E. M. Buel.

CAMBRIDGE—Central National Bank: E. W. Mathews, Pres., in place of Alex. Robins; John R. Hall and F. W. Crawford, Vice-Presidents, in place of E. W. Mathews; E. B. Milligan, Asst. Cas.

CINCINNATI—First National Bank: capital increased to $3,000,000.

DAYTON—Dayton National Bank: Robert C. Schenck, President, deceased.

GALION—First National Bank; C. S. Crim, Jr., Cas., in place of A. W. Monroe.

MT. PLEASANT—First National Bank; E. B. Jones, Asst. Cas.

NEWCOMERSTOWN—First National Bank; J. M. Rehard, Pres., in place of A. M. Beers.

WADSWORTH—First National Bank; F. B. Theiss, Pres., in place of E. M. Buel.

OKLAHOMA.

GUTHRIE—Capitol National Bank; G. A. Nelson, Cas., in place of J. H. Edmonson.

HENNESSEY—First National Bank: G. T. Moore, Asst. Cas., in place of E. P. Chandler.

LEXINGTON—Lexington National Bank; Charles Stewart, Vice-Pres., in place of W. R. Ferguson; S. A. Hayes, Cas., in place of L. T. Volz; H. A. Ingram, Asst. Cashier.

PENNSYLVANIA.

BATH—First National Bank: L. R. Groner, Pres. in place of W. L. Odenwelder.

BRYN MAWR—Bryn Mawr National Bank; Charles T. Goenter, Pres. in place of Wm. H. Ramsey.

DELMONT—Delmont National Bank of New Salem; C. C. C. Stotler, Asst. Cashier.

FOREST CITY—First National Bank; James J. Walker, Pres. in place of V. L. Peterson.

GREENVILLE—First National Bank; C. E. Witmer, Cas. in place of C. R. Beatty; T. R. Thorne, Asst. Cas. in place of C. E. Witmer.

HUMMELSTOWN—Farmers' Bank; John H. Backenstoe, Pres., deceased.

LE RAYSVILLE—First National Bank; G. W. Johnson, Pres.; P. E. Woodruff, Vice-Pres.; Charles Miller, Asst. Cashier.

LOCK HAVEN—First National Bank; Wilson Kistler, Pres. in place of F. S. Johnson, deceased; E. S. Honaghan, Vice-Pres. in place of Wilson Kistler.

McDONALD—People's National Bank; Robt. N. Tannehill, Asst. Cashier in place of W. S. Wolcott.

MEDIA—First National Bank; Edward A. Price, Jr., Cashier in place of W. W. Moss.

PITTSBURG—Union Trust Co.; capital increased to $1,500,000.

SOUTH CAROLINA.

SUMTER—First National Bank; A. J. China, Pres. in place of R. M. Wallace, deceased; R. D. Lee, Vice-Pres. in place of A. J. China.

TENNESSEE.

NASHVILLE—Nashville Trust Co.; Sam H. Orr, Mgr. in place of H. C. Hensley; Wm. Nelson, Vice-Pres. in place of W. W. Berry; G. H. Ewing, Sec. and Treas. in place of Sam H. Orr.

TEXAS.

ALBANY—Albany National Bank; W. G. Webb, Cashier in place of T. W. Gulledge.

BEEVILLE—Commercial National Bank; T. J. Miller, Cashier in place of Wilhugh Wilkins.

DECATUR—First National Bank; W. T. Waggoner, Pres. in place of D. Waggoner, deceased.

MABANK—First National Bank: J. M. Osborne, Vice-Pres.; John H. Dill, Cas. in place of A. E. Martin; H. L. Spikes, Asst. Cas.

HOUSTON—First National Bank; J. T. Scott, Cas. in place of W. H. Palmer, deceased.

SAN ANGELO—Concho National Bank; title changed to First National Bank.

SNYDER—First National Bank; H. B. Patterson, Vice-Pres. in place of J. E. Dodson; J. E. Dodson, Cas. in place of H. B. Patterson.

STAMFORD—First National Bank; Walter L. Orr, Asst. Cas. in place of W. L. Hills.

UTAH.

OGDEN—Commercial National Bank; T. D. Ryan, Cas., resigned.

SPANISH FORK—Bank of Spanish Fork; R. Wimmer, Cas. in place of Cyrus Snell, Jr.

VIRGINIA.

FARMVILLE—Planters' Bank; Thomas J. Davis, Pres. in place of Richard S. Paulett, deceased.

WEST VIRGINIA.

PARKERSBURG—Parkersburg National Bank; H. C. Henderson, Pres. in place of Thomas G. Smith, deceased; no Vice-Pres. in place of H. C. Henderson.

WISCONSIN.

DE PERE—State Bank; capital increased to $50,000.

DODGEVILLE—Dodgeville Bank; Samuel W. Reese, Pres. deceased.

CANADA.

BRITISH COLUMBIA.

CRANBROOK—Canadian Bank of Commerce; F. C. Malpas, Mgr.

QUEBEC.

MONTREAL—Bank of Montreal (Seigneurs St. Branch); C. L. Benedict, Mgr., resigned.

ONTARIO.

BLENHEIM—Canadian Bank of Commerce; W. H. Lugsdin, Mgr.

GEORGETOWN—Bank of Hamilton; C. L. Lang, Mgr.

PARKHILL—Canadian Bank of Commerce; T. L. Rogers, Mgr.

OTTAWA—Bank of Ottawa (Somerset St. Branch); Geo. Hay, Mgr.

WINCHESTER—Bank of Ottawa; J. H. Mitchell, Mgr.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

INDIAN TERRITORY.

So. MCALESTER—State National Bank; in voluntary liquidation Oct. 15.

IOWA.

OTO—Oto Bank.

SHARPSBURG—Farmers & Merchants' Bank.

NEW YORK.

NEW YORK—Gilman, Son & Co.

OHIO.

SANDUSKY—Second National Bank; in voluntary liquidation Oct. 15.

WISCONSIN.

WEST SUPERIOR—Northwestern National Bank of Superior; in voluntary liquidation Oct. 7.

CANADA.

ONTARIO.

LAKEFIELD—James Linton & Co.

Failures, Suspensions and Liquidations.

New York.—NEW YORK CITY.—On October 16, Gilman, Son & Co., suspended payment. This house was established in 1860 by Winthrop S. Gilman, and has done a considerable business. In 1873 and again in 1884 the firm became embarrassed, but recovered quickly from these temporary difficulties. In the latter year the elder Mr. Gilman died, and the business has been continued by his sons, Theodore Gilman and W. S. Gilman, Jr.

Iowa.—The Farmers and Merchants' Bank, of Sharpsburg, closed October 28, and the President is reported to be under arrest, charged with embezzling the bank's funds to an amount estimated at upwards of $25,000.

—The Oto Bank closed October 7; liabilities, $20,000; assets, $15,000.

NATIONAL BANK RETURNS—RESERVE CITIES.

By the courtesy of the Comptroller of the Currency at Washington, the Bankers' Magazine has been favored with the complete returns of the National banks in all the reserve cities, at the date of the call on September 15, 1902. These are published below in conjunction with the two preceding statements of April 30, 1902, and July 16, 1902. In this form the figures become much more valuable by reason of the comparison. The complete returns of National banks in the reserve cities are published in the Bankers' Magazine exclusively.

NEW YORK CITY.

Resources.	*Apr. 30, 1902.*	*July 16, 1902.*	*Sept. 15, 1902.*
Loans and discounts	$633,926,476	$619,975,434	$607,058,485
Overdrafts	418,922	354,427	213,583
U. S. bonds to secure circulation	32,237,000	33,635,000	35,835,000
U. S. bonds to secure U. S. deposits	39,583,500	39,783,000	39,783,000
U. S. bonds on hand	601,760	871,710	541,350
Premiums on U. S. bonds	2,852,387	3,132,693	3,254,480
Stocks, securities, etc	87,962,944	90,778,980	91,879,050
Banking house, furniture and fixtures	17,084,306	17,396,065	17,848,316
Other real estate and mortgages owned	2,088,592	2,351,972	2,351,840
Due from National banks (not reserve agents)	44,747,332	45,691,704	45,729,682
Due from State banks and bankers	5,271,067	5,926,638	5,062,215
Due from approved reserve agents	......	......	......
Checks and other cash items	7,589,955	4,660,028	5,097,596
Exchanges for clearing-house	211,654,531	177,188,471	251,269,187
Bills of other National banks	1,267,763	1,180,317	736,944
Fractional paper currency, nickels and cents	80,279	76,748	68,569
*Lawful money reserve in bank, viz.:			
Gold coin	5,552,782	4,474,720	4,765,847
Gold Treasury certificates	62,620,010	61,290,590	36,508,910
Gold clearing-house certificates	71,925,000	69,160,000	78,825,000
Silver dollars	80,015	81,863	85,988
Silver Treasury certificates	18,953,818	20,993,004	16,076,494
Silver fractional coin	707,124	807,369	668,111
Legal-tender notes	48,880,391	52,478,693	47,372,532
U. S. certificates of deposit for legal-tender notes	......	......	......
Five per cent. redemption fund with Treasurer	1,604,347	1,653,807	1,772,663
Due from U. S. Treasurer	1,074,784	221,161	930,502
Total	$1,298,760,083	$1,255,168,901	$1,293,735,350

Liabilities.	*Apr. 30, 1902.*	*July 16, 1902.*	*Sept. 15, 1902.*
Capital stock paid in	$74,600,000	$90,600,000	$90,600,000
Surplus fund	54,396,450	63,520,000	63,520,000
Undivided profits, less expenses and taxes paid	34,959,929	35,158,471	36,800,628
National bank notes issued, less amount on hand	31,156,687	31,947,787	34,679,177
State bank notes outstanding	16,542	16,542	16,542
Due to other National banks	262,014,255	265,914,766	248,388,258
Due to State banks and bankers	190,427,782	180,191,811	165,391,743
Dividends unpaid	379,858	125,286	66,519
Individual deposits	600,393,724	537,304,138	603,565,874
U. S. deposits	39,246,290	39,348,320	39,355,868
Deposits of U. S. disbursing officers	289,007	362,540	406,849
Notes and bills rediscounted	....	....	....
Bills payable	....	....	100,000
Liabilities other than those above stated	10,879,554	10,679,287	10,852,415
Total	$1,298,760,083	$1,255,168,901	$1,293,735,350
Average reserve held	25.35 p. c.	26.63 p. c.	24.70 p. c.
* Total lawful money reserve in bank	$282,299,360	$907,060,192	$184,302,882

	ALBANY, N. Y.			BALTIMORE, MD.			BOSTON, MASS.		
RESOURCES.	Apr. 30, 1902.	July 16, 1902.	Sept. 15, 1902.	Apr. 30, 1902.	July 16, 1902.	Sept. 15, 1902.	Apr. 30, 1902.	July 16, 1902.	Sept. 15, 1902.
Loans and discounts	$12,623,131	$12,107,590	$14,069,922	$43,918,039	$44,360,673	$46,637,728	$171,434,133	$166,443,826	$165,895,017
Overdrafts	2,254	2,274	3,434	3,994	8,533	14,634	70,669	49,537	64,449
U. S. bonds to secure circulation	600,000	600,000	600,000	3,224,000	3,224,000	3,525,000	5,355,500	5,855,500	6,170,500
U. S. bonds to secure U. S. deposits	422,100	422,100	422,100	2,466,000	2,496,000	1,816,000	4,412,000	4,412,000	4,662,000
U. S. bonds on hand	39,000	......	......	780	780	5,780	......	......	100,000
Premiums on U. S. bonds	28,000	25,000	25,000	139,925	149,500	177,662	280,261	255,281	354,062
Stocks, securities, etc	1,455,956	1,686,013	1,546,580	4,269,302	5,171,725	5,226,883	9,963,503	12,424,679	11,851,820
Banking house, furniture and fixtures	205,000	205,000	205,000	2,657,248	2,715,970	2,714,003	1,704,043	1,706,923	1,703,848
Other real estate and mortgages owned	20,281	34,979	98,478	30,293	136,075	136,734	73,476	73,476	73,476
Due from National banks (not reserve agents)	3,436,996	4,109,550	4,056,486	4,698,342	5,445,803	5,472,286	13,600,573	15,311,080	14,620,091
Due from State banks and bankers	970,574	1,254,195	1,646,716	711,149	1,014,961	942,770	2,013,363	1,990,777	1,377,334
Due from approved reserve agents	3,470,380	3,482,606	3,956,234	4,777,912	6,130,431	6,025,857	29,583,080	29,744,970	31,933,769
Checks and other cash items	132,703	39,566	74,605	343,942	274,309	317,140	1,014,410	409,650	857,228
Exchanges for clearing-house	141,466	125,638	123,439	2,806,819	2,312,164	3,717,826	18,041,991	13,384,495	16,588,682
Bills of other National banks	48,884	62,162	46,896	294,265	252,752	191,653	1,205,034	1,372,300	1,126,467
Fractional paper currency, nickels and cents	5,232	4,298	4,635	20,510	21,704	17,661	22,397	23,208	21,548
*Lawful money reserve in bank, viz.:									
Gold coin	355,902	368,410	366,227	611,451	584,796	576,051	1,618,720	1,649,956	2,881,990
Gold Treasury certificates	258,000	418,000	254,000	1,215,920	2,641,610	1,607,370	8,646,420	9,201,540	4,112,890
Gold clearing-house certificates	150,000	......	150,000	40,000	330,000	335,000	3,510,000	3,450,000	5,500,000
Silver dollars	17,202	20,597	34,207	56,660	62,465	46,273	34,982	40,498	80,705
Silver Treasury certificates	90,000	78,000	65,000	1,951,052	1,647,638	1,154,407	2,668,305	3,226,761	1,849,689
Silver fractional coin	28,060	35,706	23,946	111,485	84,202	55,960	148,654	166,086	23,287
Legal-tender notes	813,608	868,945	1,024,581	2,375,822	1,350,648	1,065,778	5,269,675	5,884,386	5,836,836
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	176,245	......	......	......
Five per cent. redemption fund with Treas.	30,000	30,000	30,000	161,195	151,195	42,455	266,945	267,775	298,325
Due from U. S. Treasurer	1,000	......	950	22,905	20,300	......	209,500	172,799	289,350
Total	$25,345,735	$25,980,631	$28,818,441	$76,909,014	$80,588,238	$82,019,162	$281,147,611	$277,014,011	$278,662,280
LIABILITIES.									
Capital stock paid in	$1,050,000	$1,050,000	$1,250,000	$11,958,260	$12,408,260	$12,403,260	$33,850,000	$33,850,000	$33,850,000
Surplus fund	1,150,000	1,150,000	1,420,000	5,359,727	5,840,594	6,240,594	13,108,000	13,113,000	13,118,000
Undiv. profits, less expenses and taxes paid	269,712	323,820	223,476	2,368,385	2,011,065	1,772,455	7,064,307	7,998,504	8,588,037
National bank notes issued, less am't on hand	434,895	575,597	570,647	3,190,650	3,187,997	3,490,847	5,286,992	5,308,190	5,918,282
State bank notes outstanding	......	......	......	493	493	493	......	......	......
Due to other National banks	10,762,054	11,194,173	12,736,075	11,371,556	12,050,605	12,967,300	40,449,729	44,287,063	41,029,237
Due to State banks and bankers	3,342,143	3,824,554	3,644,231	7,108,396	7,078,594	7,850,021	39,317,560	35,109,908	36,273,596
Dividends unpaid	15,093	408	856	47,710	124,013	71,925	26,336	11,046	8,349
Individual deposits	7,891,139	7,439,968	8,544,535	32,804,053	34,075,613	34,396,461	134,502,610	129,408,227	131,260,402
U. S. deposits	426,861	421,641	427,272	2,479,780	2,506,383	1,836,801	4,275,913	4,255,910	4,277,539
Deposits of U. S. disbursing officers	3,835	458	1,347	......	......	......	145,410	98,524	126,295
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	170,000	1,255,000	913,000	1,256,000	1,481,000	1,731,000
Liabilities other than those above stated	......	......	......	50,000	54,648	56,000	1,864,750	2,097,636	2,486,488
Total	$25,345,735	$25,980,631	$28,818,441	$76,909,014	$80,588,238	$82,019,162	$281,147,611	$277,014,011	$278,662,280
Average reserve held	29.22 p. c.	22.91 p. c.	22.42 p. c.	24.95 p. c.	26.98 p. c.	23.08 p. c.	28.15 p. c.	25.63 p. c.	24.41 p. c.
*Total lawful money reserve in bank	$1,712,772	$1,789,658	$1,917,962	$6,362,390	$6,701,859	$4,860,839	$21,896,706	$23,619,227	$21,174,807

	BROOKLYN, N. Y.			CHICAGO, ILL.			CINCINNATI, OHIO.		
RESOURCES.	*Apr. 30, 1902.*	*July 16, 1902.*	*Sept. 15, 1902.*	*Apr. 30, 1902.*	*July 16, 1902.*	*Sept. 15, 1902.*	*Apr. 30, 1902.*	*July 16, 1902.*	*Sept. 15, 1902.*
Loans and discounts	$12,031,330	$11,746,560	$12,968,712	$175,639,438	$180,871,184	$186,932,318	$33,959,239	$35,492,728	$37,186,181
Overdrafts	7,624	7,752	4,318	69,093	87,701	108,951	24,220	14,806	82,739
U. S. bonds to secure circulation	642,000	642,000	642,000	3,590,000	2,800,000	2,800,000	4,480,000	4,480,000	4,680,000
U. S. bonds to secure U. S. deposits	200,000	200,000	200,000	1,510,000	1,550,000	1,550,000	3,877,500	3,877,500	3,877,500
U. S. bonds on hand	......	......	......	49,530	94,740	60,730	164,150	238,860	175,820
Premiums on U. S. bonds	7,900	7,900	7,900	7,040	11,925	11,925	39,840	52,856	52,401
Stocks, securities, etc	2,765,094	2,742,512	2,778,214	15,967,217	15,594,385	16,166,113	9,741,637	10,395,370	10,097,668
Banking house, furniture and fixtures	484,000	483,550	483,550	291,533	303,511	304,136	483,728	483,728	483,728
Other real estate and mortgages owned	47,343	43,206	43,296	215,834	166,926	158,152	216,036	247,884	316,836
Due from National banks (not reserve agents)	59,977	92,799	70,132	41,999,020	43,391,609	38,416,457	4,297,196	4,670,926	4,660,383
Due from State banks and bankers	156,635	128,552	141,221	10,141,543	11,063,297	15,085,267	712,529	626,497	715,472
Due from approved reserve agents	2,063,838	2,500,015	1,708,585	......	......	......	5,297,281	6,208,297	5,676,704
Checks and other cash items	105,403	104,458	88,711	248,680	517,282	349,257	62,161	81,549	89,326
Exchanges for clearing-house	1,567,955	1,301,179	1,438,807	10,470,420	10,759,170	11,879,245	295,494	655,178	312,108
Bills of other National Banks	117,420	115,862	92,509	1,392,881	1,677,260	1,259,786	206,391	331,407	189,235
Fractional paper currency, nickels and cents	10,335	13,883	13,597	42,182	32,793	20,527	6,465	5,848	7,070
*Lawful money reserve in bank, viz.:									
Gold coin	415,058	426,053	847,067	12,298,830	11,716,105	10,954,810	454,370	790,986	460,444
Gold Treasury certificates	496,300	470,050	636,950	14,604,940	14,126,950	7,104,270	1,125,000	2,209,700	1,418,950
Gold clearing-house certificates	......	......	......	......	......	5,705,000	680,000	......	600,000
Silver dollars	13,167	19,674	12,500	200,426	194,447	165,124	92,827	104,080	94,105
Silver Treasury certificates	386,721	582,103	428,156	6,366,251	7,303,149	5,879,525	511,634	474,616	601,378
Silver fractional coin	73,827	80,842	70,064	281,766	278,898	254,754	47,686	49,473	40,050
Legal-tender notes	641,595	863,220	516,723	23,903,559	22,950,708	15,673,198	3,058,493	3,768,833	2,943,016
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	32,100	32,100	32,100	177,500	133,600	140,000	223,999	223,050	226,088
Due from U. S. Treasurer	17,150	7,450	17,900	213,200	361,500	191,700	12,365	10,800	......
Total	$22,342,776	$22,608,724	$22,743,014	$319,680,840	$325,987,142	$321,161,252	$70,072,249	$75,494,428	$74,887,098
LIABILITIES.									
Capital stock paid in	$1,352,000	$1,352,000	$1,352,000	$19,750,000	$23,750,000	$24,750,000	$7,700,000	$7,700,000	$7,700,000
Surplus fund	1,900,000	1,900,000	1,900,000	9,060,000	11,100,000	11,600,000	3,240,000	3,240,000	3,290,000
Undiv. profits, less expenses and taxes paid	587,894	566,465	617,462	4,877,434	4,514,030	5,035,250	1,454,846	1,649,778	1,797,521
National bank notes issued, less am't on hand	631,250	634,000	630,400	3,364,937	2,522,337	2,696,187	4,412,627	4,287,647	4,523,267
State bank notes outstanding	1,846	1,846	1,846	......	......	......	......	......	......
Due to other National banks	234,222	323,860	237,184	96,637,437	61,686,176	92,705,429	11,702,018	12,581,131	12,886,572
Due to State banks and bankers	4,076,143	4,697,262	3,661,818	52,789,881	90,019,965	51,075,049	6,806,872	7,000,255	8,017,057
Dividends unpaid	1,559	2,670	912	8,991	14,462	5,284	274,586	4,162	1,282
Individual deposits	13,285,010	12,984,124	14,119,812	131,453,494	130,394,198	131,095,193	28,315,515	33,265,970	31,236,908
U. S. deposits	181,707	162,876	189,588	1,341,316	1,400,452	1,400,678	3,829,274	3,880,928	3,884,810
Deposits of U. S. disbursing officers	16,629	19,192	17,569	167,626	134,502	145,981	......	......	......
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	74,512	14,425	14,425	229,721	451,017	652,196	2,337,508	1,934,559	2,099,696
Total	$22,342,776	$22,608,724	$22,743,014	$319,680,840	$325,987,142	$321,161,252	$70,072,249	$75,494,428	$74,887,098
Average reserve held	25.94 p. c.	27.40 p. c.	22.79 p. c.	26.48 p. c.	26.20 p. c.	21.89 p. c.	25.30 p. c.	27.40 p. c.	24.32 p. c.
* Total lawful money reserve in bank	$2,026,668	$2,441,942	$2,011,460	$57,655,772	$56,570,252	$45,786,681	$5,970,010	$7,397,638	$6,157,988

	CLEVELAND, OHIO.			COLUMBUS, OHIO.			DALLAS, TEXAS.		
RESOURCES.	*Apr. 30, 1902.*	*July 16, 1902.*	*Sept. 15, 1902.*	*Apr. 30, 1902.*	*July 16, 1902.*	*Sept. 15, 1902.*	*Apr. 30, 1902.*	*July 16, 1902.*	*Sept. 15, 1902.*
Loans and discounts	$45,653,364	$46,808,071	$48,212,058	$9,651,868	$10,160,935	$10,671,655	$6,112,902	$5,791,401	$6,006,868
Overdrafts	70,373	72,124	77,055	14,936	10,547	8,871	315,477	189,105	376,111
U. S. bonds to secure circulation	4,510,000	4,625,000	4,625,000	535,000	535,000	535,000	737,500	587,500	587,500
U. S. bonds to secure U. S. deposits	900,000	900,000	900,000	325,000	400,000	400,000	625,000	625,000	625,000
U. S. bonds on hand	50,000	......	......	188,770	110,170	97,760	......	......	......
Premiums on U. S. bonds	135,751	167,713	175,032	14,814	14,694	14,616	29,000	29,000	29,000
Stocks, securities, etc	3,189,385	3,319,371	3,457,521	2,498,732	2,577,176	2,685,721	63,711	17,069	16,961
Banking house, furniture and fixtures	560,289	565,107	577,668	277,677	288,763	291,830	130,999	130,499	130,499
Other real estate and mortgages owned	146,544	124,796	121,646	91,241	88,969	88,937	74,957	58,881	88,881
Due from National banks (not reserve agents)	4,584,890	5,004,039	4,195,193	1,299,770	1,500,899	1,852,020	1,496,944	1,449,519	1,189,843
Due from State banks and bankers	1,823,121	1,818,460	1,777,419	189,694	161,218	143,597	268,971	167,919	230,152
Due from approved reserve agents	6,052,300	5,911,470	4,555,006	1,031,013	2,286,207	1,915,576	1,331,549	1,810,352	822,835
Checks and other cash items	194,132	257,260	214,000	46,159	56,003	124,943	33,926	18,900	46,912
Exchanges for clearing-house	552,581	732,689	747,813	148,415	148,697	266,618	118,088	115,466	98,928
Bills of other National banks	213,091	214,154	170,786	98,449	116,119	202,089	66,085	67,804	62,074
Fractional paper currency, nickels and cents	15,700	9,255	9,084	2,286	2,629	2,888	6,184	10,987	7,164
*Lawful money reserve in bank, viz.:									
Gold coin	1,802,137	1,934,505	1,834,360	403,402	418,507	342,192	347,635	226,700	210,745
Gold Treasury certificates	970,000	1,022,000	1,073,000	281,370	302,500	544,750	59,580	75,000	62,220
Gold clearing-house certificates	......	......	......	......	......	......	......	......	10,000
Silver dollars	228,618	228,319	218,987	42,470	42,575	34,218	45,962	31,571	26,072
Silver Treasury certificates	246,453	147,400	225,360	231,253	293,783	207,017	40,101	97,504	88,314
Silver fractional coin	70,528	69,001	58,605	16,673	16,810	14,453	11,776	11,032	10,305
Legal-tender notes	2,266,506	2,379,992	1,915,294	942,547	849,617	670,290	363,839	410,282	404,815
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	219,650	225,550	231,250	26,750	26,750	26,750	36,875	29,375	28,975
Due from U. S. Treasurer	48,655	44,803	40,009	6,100	1,700	38,600	505	100	......
Total	$74,504,094	$76,581,146	$75,412,101	$18,304,397	$20,374,778	$21,180,393	$12,308,570	$11,450,470	$11,154,679
LIABILITIES.									
Capital stock paid in	$12,150,000	$12,400,000	$12,400,000	$2,300,000	$2,300,000	$2,300,000	$1,050,000	$1,050,000	$1,050,000
Surplus fund	3,655,000	3,705,000	3,705,000	660,000	720,000	720,000	1,060,000	1,061,000	1,061,000
Undiv. profits, less expenses and taxes paid	1,167,726	1,071,588	1,182,568	296,303	256,282	281,189	201,202	177,528	191,108
National bank notes issued, less am't on hand	4,501,050	4,565,650	4,602,250	535,000	533,000	535,000	737,500	587,500	587,500
Due to other National banks	9,382,834	10,589,118	10,340,224	1,402,175	1,612,742	1,510,097	2,043,658	1,751,877	1,373,458
Due to State banks and bankers	14,328,478	14,520,476	13,139,221	2,171,835	2,388,754	2,703,197	289,469	240,655	326,350
Dividends unpaid	151,804	950	628	31,591	4,298	2,111	......	2,747	11
Individual deposits	26,408,678	26,360,358	27,495,807	10,567,222	12,134,102	12,704,049	6,308,266	5,958,895	5,939,532
U. S. deposits	891,008	861,789	861,979	307,240	382,081	380,482	606,158	592,314	584,923
Deposits of U. S. disbursing officers	21,155	48,029	39,193	16,528	16,512	17,316	17,315	30,972	38,669
Notes and bills rediscounted	24,875	......	......	......	......	......	......	......	......
Bills payable	300,000	600,000	100,000	......	......	......	......	......	......
Liabilities other than those above stated	1,521,483	1,558,184	1,545,228	27,000	27,000	27,000	......	1,980	2,126
Total	$74,504,094	$76,581,146	$75,412,101	$18,304,397	$20,374,778	$21,180,393	$12,308,570	$11,450,470	$11,154,679
Average reserve held	26.94 p. c.	25.64 p. c.	22.50 p. c.	23.31 p. c.	25.72 p. c.	24.83 p. c.	30.48 p. c.	25.30 p. c.	24.87 p. c.
*** Total lawful money reserve in bank**	$5,584,263	$5,781,277	$5,825,556	$1,917,716	$1,918,792	$1,812,921	$859,893	$852,089	$812,471

Resources.	Denver, Colorado. Apr. 30, 1902.	Denver, Colorado. July 16, 1902.	Denver, Colorado. Sept. 15, 1902.	Des Moines, Iowa. Apr. 30, 1902.	Des Moines, Iowa. July 16, 1902.	Des Moines, Iowa. Sept. 15, 1902.	Detroit, Mich. Apr. 30, 1902.	Detroit, Mich. July 16, 1902.	Detroit, Mich. Sept. 15, 1902.
Loans and discounts	$16,670,317	$16,361,165	$17,169,746	$6,435,194	$6,258,173	$5,612,391	$15,133,669	$14,964,262	$15,967,048
Overdrafts	131,599	115,389	119,748	48,644	18,739	24,124	3,136	2,208	5,228
U. S. bonds to secure circulation	1,700,000	1,700,000	1,750,000	480,600	480,600	489,000	1,350,000	550,000	1,250,000
U. S. bonds to secure U. S. deposits	1,050,000	1,050,000	1,050,000	460,000	460,000	460,000	750,000	750,000	750,000
U. S. bonds on hand	......	......	......	8,000	8,000	1,000	148,250	251,150	151,150
Premiums on U. S. bonds	55,000	54,750	58,687	23,513	22,500	22,608	149,425	166,120	211,763
Stocks, securities, etc	6,197,180	7,981,003	8,055,347	288,076	282,885	273,016	2,417,326	2,012,325	2,102,212
Banking house, furniture and fixtures	66,750	66,250	66,198	109,541	109,036	107,036	18,288	38,288	38,288
Other real estate and mortgages owned	338,489	334,945	334,769	48,984	48,340	48,338	193,092	44,176	74,176
Due from National banks (not reserve agents)	2,738,547	2,472,532	3,246,847	508,753	456,615	345,292	1,816,007	1,998,687	1,950,087
Due from State banks and bankers	665,479	886,657	1,201,947	79,950	81,999	92,760	449,337	577,594	554,546
Due from approved reserve agents	9,090,371	10,223,143	10,117,144	1,163,817	927,949	639,483	3,018,271	3,618,218	3,157,536
Checks and other cash items	19,546	54,704	35,816	7,546	11,842	14,158	19,644	31,476	37,059
Exchanges for clearing-house	690,037	708,294	810,040	70,702	80,766	73,458	449,890	404,908	562,163
Bills of other National banks	319,211	409,558	525,067	64,445	47,525	62,814	203,445	339,014	142,359
Fractional paper currency, nickels and cents	2,478	2,905	1,987	2,832	1,749	1,870	11,249	6,897	6,618
*Lawful money reserve in bank, viz.:									
Gold coin	2,221,610	2,174,410	2,199,600	167,297	161,410	141,762	959,485	1,160,707	1,049,840
Gold Treasury certificates	335,000	340,000	345,000	2,000	154,000	150,000	166,990	141,990	151,990
Gold clearing-house certificates	......	......	......	100,000	25,000	......	145,000	10,000	140,000
Silver dollars	134,224	100,535	100,577	41,112	36,348	48,950	115,505	96,092	55,539
Silver Treasury certificates	260,003	340,000	181,184	150,545	113,472	56,567	198,089	52,150	17,567
Silver fractional coin	47,369	43,714	38,620	17,901	16,294	•24,444	46,579	26,617	20,994
Legal-tender notes	1,475,000	1,625,000	2,137,168	320,778	284,962	186,106	823,472	1,379,409	848,747
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	85,000	85,000	87,500	24,030	24,030	24,100	67,500	27,500	62,500
Due from U. S. Treasurer	28,734	36,134	3,634	4	3,000	2,000	9,000	21,500	37,000
Total	$44,321,947	$47,166,077	$49,636,633	$10,628,266	$10,115,236	$8,901,283	$28,662,654	$28,673,238	$29,839,806
Liabilities.									
Capital stock paid in	$1,700,000	$2,200,000	$2,370,000	$800,000	$800,000	$800,000	$3,300,000	$3,100,000	$3,100,000
Surplus fund	550,000	675,000	675,000	260,000	260,000	260,000	627,500	813,000	813,000
Undiv. profits, less expenses and taxes paid	547,335	963,050	988,033	74,221	57,913	60,447	269,060	225,794	247,037
National bank notes issued, less am't on hand	1,696,250	1,700,000	1,750,000	477,597	468,597	488,927	1,322,450	506,750	1,062,000
Due to other National banks	6,759,318	7,111,985	8,623,816	2,402,092	2,213,344	1,665,367	2,989,042	2,946,810	2,922,734
Due to State banks and bankers	4,155,020	4,065,561	4,137,905	3,124,263	2,787,391	2,140,808	6,247,139	7,008,258	6,401,439
Dividends unpaid	......	330	......	288	16,102	624	680	4,768	291
Individual deposits	27,993,038	29,495,075	30,840,319	3,029,369	3,051,242	2,867,806	12,681,691	13,023,594	14,068,713
U. S. deposits	259,493	430,712	269,499	451,441	451,741	408,364	676,041	719,962	691,062
Deposits of U. S. disbursing officers	661,490	524,362	482,059	8,544	8,456	48,090	74,049	52,300	68,507
Notes and bills rediscounted	......	......	......	......	......	160,900	......	......	......
Bills payable	......	......	......	......	......	......	475,000	225,000	......
Liabilities other than those above stated	......	......	......	446	446	446	......	......	......
Total	$44,321,947	$47,166,077	$49,636,633	$10,628,266	$10,115,236	$8,901,283	$28,662,654	$28,673,238	$29,839,806
Average reserve held	33.54 p. c.	25.07 p. c.	25.76 p. c.	......	22.19 p. c.	19.40 p. c.	28.06 p. c.	26.59 p. c.	23.56 p. c.
* Total lawful money reserve in bank	$4,473,206	$4,623,659	$5,002,149	$799,633	$791,482	$607,829	$2,455,120	$2,868,965	$2,279,677

Resources.	Houston, Texas. Apr. 30, 1902.	July 16, 1902.	Sept. 15, 1902.	Indianapolis, Ind. Apr. 30, 1902.	July 16, 1902.	Sept. 15, 1902.	Kansas City, Kans. Apr. 30, 1902.	July 16, 1902.	Sept. 15, 1902.
Loans and discounts	$4,955,075	$5,546,296	$5,792,831	$14,294,636	$15,031,662	$16,550,885	$4,902,144	$4,564,390	$3,972,560
Overdrafts	376,699	346,163	925,680	836	992	1,817	20,558	18,302	26,766
U. S. bonds to secure circulation	590,000	580,000	580,000	530,000	530,000	830,000	700,000	750,000	750,000
U. S. bonds to secure U. S. deposits	100,000	100,000	100,000	2,666,000	2,716,000	2,966,000	......	......	......
U. S. bonds on hand	......	......	......	83,810	240,510	139,990	......	......	......
Premiums on U. S. bonds	49,935	44,652	44,518	98,366	94,750	145,853	30,802	34,642	34,392
Stocks, securities, etc	59,073	58,774	58,462	2,553,687	2,261,511	1,967,296	1,000	132,023	307,678
Banking house, furniture and fixtures	204,967	226,429	226,429	274,544	273,145	272,698	......	1,400	4,300
Other real estate and mortgages owned	81,185	75,594	75,849	72,246	61,125	58,724	......	47,418	40,884
Due from National banks (not reserve agents)	1,830,334	1,795,458	1,646,826	3,096,416	4,196,589	4,020,412	137,777	202,608	290,488
Due from State banks and bankers	99,254	84,763	219,764	1,220,770	1,807,553	1,750,764	93,046	68,425	28,706
Due from approved reserve agents	1,959,384	1,112,611	868,590	3,240,342	4,141,074	3,967,951	594,779	821,053	1,574,845
Checks and other cash items	1,453	7,769	4,126	23,670	26,996	32,360	80,097	151,575	73,212
Exchanges for clearing-house	197,309	43,271	82,057	605,852	365,741	600,445	234,337	286,856	239,135
Bills of other National banks	219,044	106,812	237,804	677,748	645,712	996,062	11,300	5,795	7,223
Fractional paper currency, nickels and cents	3,993	4,017	3,486	5,911	6,316	4,583	468	739	538
*Lawful money reserve in bank, viz.:									
Gold coin	350,891	289,831	296,681	929,615	864,790	859,095	95,135	126,475	133,435
Gold Treasury certificates	526,870	431,510	405,510	1,335,000	1,475,000	1,455,000	......	3,000	10,000
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	132,195	153,515	105,482	80,928	74,578	48,176	9,998	9,160	10,210
Silver Treasury certificates	315,956	278,904	218,142	194,841	171,448	111,128	......	5,000	5,000
Silver fractional coin	42,315	46,076	39,929	30,775	25,462	15,458	5,072	3,270	6,037
Legal-tender notes	824,928	648,644	729,331	1,018,581	1,001,000	822,457	......	436,984	1,154,723
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	25,875	28,875	28,875	24,000	24,000	39,000	35,000	35,000	37,500
Due from U. S. Treasurer	......	......	......	......	1,100	5,456	5	5	5
Total	$12,936,742	$12,009,969	$12,640,380	$33,058,580	$36,039,055	$37,663,117	$7,312,613	$7,704,121	$8,707,637
Liabilities.									
Capital stock paid in	$1,350,000	$1,350,000	$1,350,000	$3,450,000	$3,450,000	$3,450,000	$1,000,000	$1,100,000	$1,140,000
Surplus fund	680,000	750,000	750,000	1,172,500	1,195,000	1,207,500	250,000	260,000	260,000
Undiv. profits, less expenses and taxes paid	329,878	228,003	271,720	294,694	316,052	390,665	360,574	332,984	362,832
National bank notes issued, less am't on hand	485,550	538,950	555,000	480,000	480,000	780,000	700,000	700,000	750,000
Due to other National banks	2,287,846	1,885,790	2,218,834	5,154,040	6,428,164	7,175,670	1,534,493	1,396,828	2,225,693
Due to State banks and bankers	570,157	514,368	749,154	5,159,910	5,871,501	6,485,321	1,054,104	1,061,290	1,140,334
Dividends unpaid	5,398	18,803	1,266	......	4,129	138	330	960	510
Individual deposits	6,935,356	6,428,696	6,459,068	14,662,273	15,578,628	14,963,298	2,160,474	2,607,523	2,822,906
U. S. deposits	100,000	100,000	100,000	2,418,171	2,513,243	2,787,768	......	......	......
Deposits of U. S. disbursing officers	......	......	......	246,989	202,335	176,639	......	......	......
Notes and bills rediscounted	......	195,355	191,340	......	......	......	252,636	242,504	......
Bills payable	191,555	......	......	......	......	......	......	......	......
Liabilities other than those above stated	......	......	......	20,000	......	706,116	......	2,030	4,760
Total	$12,936,742	$12,009,969	$12,640,380	$33,058,580	$36,039,055	$37,663,117	$7,312,613	$7,704,121	$8,707,637
Average reserve held	55.32 p. c.	39.43 p. c.	36.46 p. c.	31.10 p. c.	27.87 p. c.	26.52 p. c.	25.77 p. c.	25.86 p. c.	36.29 p. c.
* Total lawful money reserve in bank	$2,193,155	$1,848,480	$1,795,075	$3,589,740	$3,612,273	$3,811,314	$471,195	$583,889	$1,319,405

Resources.	Kansas City, Mo. Apr. 30, 1902.	July 16, 1902.	Sept. 15, 1902.	Lincoln, Neb. Apr. 30, 1902.	July 16, 1902.	Sept. 15, 1902.	Los Angeles, Cal. Apr. 30, 1902.	July 16, 1902.	Sept. 15, 1902.
Loans and discounts	$34,135,543	$34,366,856	$33,816,883	$2,807,923	$2,861,999	$2,857,496	$7,575,441	$8,255,351	$9,045,608
Overdrafts	526,684	342,547	485,704	27,088	41,041	21,674	87,309	87,910	110,894
U. S. bonds to secure circulation	1,845,600	1,845,600	1,845,600	160,000	160,000	160,000	1,365,000	1,365,000	1,365,000
U. S. bonds to secure U. S. deposits	1,412,000	1,512,000	1,512,000	60,000	110,000	110,000	250,000	250,000	250,000
U. S. bonds on hand	315,000	72,500	77,540	8,340	1,000	1,000	60,800	59,500	61,000
Premiums on U. S. bonds	30,737	29,487	28,237	7,350	12,286	11,986	55,029	32,276	32,246
Stocks, securities, etc	6,898,333	6,566,925	6,492,344	200,648	187,515	164,578	406,500	730,412	854,129
Banking house, furniture and fixture	383,361	383,361	383,361	77,023	77,023	77,186	229,782	232,848	240,282
Other real estate and mortgages owned	96,820	96,795	99,795	12,478	10,710	10,710	110,841	80,926	84,555
Due from National banks (not reserve agents)	2,769,244	2,629,746	3,182,226	646,498	599,282	677,175	1,181,277	1,018,068	897,151
Due from State banks and bankers	3,729,363	3,622,594	4,181,109	160,525	270,978	244,142	488,014	550,966	385,267
Due from approved reserve agents	10,988,785	10,951,225	12,843,560	451,759	514,521	416,789	2,471,998	2,102,492	1,444,857
Checks and other cash items	51,549	53,139	25,922	22,216	24,726	21,766	72,064	34,114	33,554
Exchanges for clearing-house	1,026,854	1,354,028	1,955,701	39,397	30,318	57,007	206,492	350,312	227,018
Bills of other National banks	221,025	179,486	108,620	15,630	16,170	12,868	39,583	41,668	51,489
Fractional paper currency, nickels and cents	7,800	8,681	8,257	1,327	1,647	1,083	2,279	2,783	1,883
*Lawful money reserve in bank, viz.:									
Gold coin	1,266,495	1,299,119	1,511,308	102,870	161,040	97,506	1,165,890	1,329,050	1,323,615
Gold Treasury certificates	1,014,140	1,610,240	779,820	......	......	......	49,780	87,820	53,460
Gold clearing-house certificates	300,000	......	300,000	......	......	......	230,000	334,000	157,000
Silver dollars	134,087	144,192	145,251	17,745	10,526	8,866	28,074	40,448	36,653
Silver Treasury certificates	1,145,626	686,237	638,519	200	752	838	108,155	91,879	144,978
Silver fractional coin	48,334	55,501	38,221	9,432	11,434	10,348	64,789	79,498	67,464
Legal-tender notes	1,065,270	1,035,824	525,000	102,184	99,434	85,819	110,112	112,531	182,652
U. S. certificate of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	92,280	92,280	92,280	8,000	8,000	8,000	68,250	68,250	68,250
Due from U. S. Treasurer	64,500	46,000	30,500	......	......	......	......	......	......
Total	$69,569,487	$68,984,370	$71,057,259	$4,938,582	$5,210,396	$5,056,441	$16,427,350	$17,338,097	$17,048,502
Liabilities.									
Capital stock paid in	$2,650,000	$2,650,000	$2,650,000	$400,000	$400,000	$400,000	$1,800,000	$1,800,000	$1,800,000
Surplus fund	887,000	888,000	888,000	84,000	126,000	139,000	286,500	295,000	295,000
Undiv. profits less expenses and taxes paid	1,665,014	1,815,017	1,945,160	46,963	88,917	84,250	524,568	572,568	617,278
National bank notes issued, less am't on hand	1,797,600	1,795,800	1,797,600	159,500	160,000	160,000	1,322,985	1,340,785	1,318,485
Due to other National banks	20,690,331	19,966,062	21,504,983	700,390	689,058	610,270	385,252	248,784	218,278
Due to State banks and bankers	14,965,873	13,685,976	14,214,846	1,027,408	1,215,760	1,140,549	748,408	741,879	678,454
Dividends unpaid	915	42,111	1,086	60	182	183	865	2,443	643
Individual deposits	25,413,155	26,204,392	26,458,386	2,460,249	2,470,548	2,462,269	11,109,887	12,086,114	11,870,758
U. S. deposits	1,380,610	1,485,508	1,434,286	59,900	109,823	109,298	165,499	197,805	181,782
Deposits of U. S. disbursing officers	37,408	21,690	79,542	......	166	624	82,984	52,069	67,951
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	350,000	50,000	......	......	......	......	......	......
Liabilities other than those above stated	......	130,291	88,916	......	......	......	500	5,677	4,929
Total	$69,569,487	$68,984,370	$71,057,259	$4,938,582	$5,210,396	$5,056,441	$16,427,350	$17,338,097	$17,048,502
Average reserve held	29.33 p. c.	29.68 p. c.	19.84 p. c.	20.44 p. c.	20.55 p. c.	18.69 p. c.	33.67 p. c.	30.16 p. c.	28.33 p. c.
* **Total lawful money reserve in bank**	$4,973,952	$4,831,113	$3,937,615	$232,331	$283,186	$202,376	$1,756,800	$2,075,226	$1,915,822

Resources.	Louisville, Ky. Apr. 30, 1902.	Louisville, Ky. July 16, 1902.	Louisville, Ky. Sept. 15, 1902.	Milwaukee, Wis. Apr. 30, 1902.	Milwaukee, Wis. July 16, 1902.	Milwaukee, Wis. Sept. 15, 1902.	Minneapolis, Minn. Apr. 30, 1902.	Minneapolis, Minn. July 16, 1902.	Minneapolis, Minn. Sept. 15, 1902.
Loans and discounts	$14,971,388	$15,290,238	$15,138,805	$25,421,208	$24,873,136	$24,663,558	$19,115,966	$18,530,024	$18,843,204
Overdrafts	31,282	32,303	30,342	387,928	476,980	458,505	21,285	13,034	10,695
U. S. bonds to secure circulation	4,161,000	4,161,000	4,229,600	550,000	750,000	750,000	1,100,000	1,100,000	1,100,000
U. S. bonds to secure U. S. deposits	2,646,800	2,646,800	2,578,200	1,160,000	1,160,000	1,160,000	350,000	350,000	350,000
U. S. bonds on hand	......	400	900	......	100	......	1,000	3,800	1,800
Premiums on U. S. bonds	170,187	67,971	68,001	65,750	58,757	57,750	......	......	......
Stocks, securities, etc	2,100,182	2,528,203	2,604,294	2,457,553	2,487,478	2,482,886	1,468,409	1,277,145	1,091,405
Banking house, furniture and fixtures	230,462	230,407	230,407	182,155	125,455	125,455	277,000	277,000	277,000
Other real estate and mortgages owned	120,364	120,490	118,640	112,164	112,095	91,272	37,900	30,000	30,000
Due from National banks (not reserve agents)	1,958,290	1,889,310	1,990,197	1,705,206	1,679,024	1,925,967	1,518,346	1,517,681	1,696,090
Due from State banks and bankers	791,854	663,023	803,882	910,289	895,614	906,083	725,439	659,083	913,094
Due from approved reserve agents	3,129,559	3,739,316	2,970,512	4,895,815	4,012,820	5,0[illegible]9,963	3,399,307	2,773,758	3,047,307
Checks and other cash items	22,475	16,681	47,638	16,772	61,224	53,210	36,391	39,847	78,798
Exchanges for clearing-house	295,676	171,181	248,658	729,056	665,437	744,381	1,082,737	725,208	1,134,630
Bills of other National banks	230,796	139,487	91,248	57,506	62,085	74,484	161,796	138,673	78,877
Fractional paper currency, nickels and cents	4,348	3,721	1,815	8,839	5,100	7,175	11,422	8,664	6,335
*Lawful money reserve in bank, viz.:									
Gold coin	664,677	737,257	687,937	1,682,945	1,861,770	1,830,055	702,602	786,985	771,680
Gold Treasury certificates	260,000	252,000	307,000	650,000	650,000	650,000	245,000	505,000	305,000
Gold clearing-house certificates	60,000	......	......	......	......	......	200,000	......	200,000
Silver dollars	58,196	61,090	54,717	76,800	70,925	102,715	28,539	32,459	65,894
Silver Treasury certificates	10,823	38,350	23,679	130,000	81,000	85,083	25,000	30,000	34,000
Silver fractional coin	37,286	37,736	27,097	49,197	37,850	64,592	33,597	31,204	55,597
Legal-tender notes	1,377,082	1,103,130	1,103,332	1,517,770	1,607,909	880,168	918,400	719,000	730,000
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	207,550	208,050	208,050	27,500	32,765	37,500	55,000	55,000	55,000
Due from U. S. Treasurer	14,930	14,500	18	10,400	14,000	7,500	4,400	15,804	24,905
Total	$33,555,080	$34,152,600	$33,577,956	$42,754,357	$41,781,480	$42,191,277	$31,519,540	$29,618,798	$30,901,316
Liabilities.									
Capital stock paid in	$4,645,000	$4,645,000	$4,645,000	$3,750,000	$3,750,000	$3,750,000	$3,250,000	$3,250,000	$3,250,000
Surplus fund	1,830,000	1,785,500	1,785,500	1,105,000	1,185,000	1,185,000	750,000	805,000	805,000
Undiv. profits, less expenses and taxes paid	448,018	396,965	422,736	426,195	390,411	541,308	268,631	270,100	422,392
National bank notes issued, less am't on hand	4,161,000	4,155,150	4,161,000	545,250	653,300	750,000	1,072,850	1,068,950	1,098,650
Due to other National banks	5,2[illegible]2,302	5,063,812	5,656,760	4,203,751	3,925,189	4,051,554	6,209,225	5,931,205	5,256,725
Due to State banks and bankers	4,163,087	6,199,152	4,614,607	3,768,685	3,180,751	3,307,910	5,842,968	4,725,736	5,295,171
Dividends unpaid	28,333	18,319	6,598	2,465	3,002	1,842	2,601	5,640	1,357
Individual deposits	10,133,582	10,083,685	9,482,255	27,782,398	27,518,849	27,410,878	13,574,196	12,798,796	14,102,483
U. S. deposits	2,398,452	2,416,025	2,474,004	1,061,186	1,024,146	1,055,625	319,957	332,250	319,943
Deposits of U. S. disbursing officers	216,686	199,384	146,429	139,423	151,330	103,896	29,110	16,116	24,593
Notes and bills rediscounted	81,500	55,000	50,000	......	......	......	......	......	......
Bills payable	50,000	......	......	......	......	......	......	200,000	125,000
Liabilities other than those above stated	109,116	134,604	133,068	......	5,000	33,261	200,000	215,000	200,000
Total	$33,555,080	$34,152,600	$33,577,956	$42,754,357	$41,781,480	$42,191,277	$31,519,540	$29,618,798	$30,901,316
Average reserve held	30.63 p. c.	24.11 p. c.	18.69 p. c.	26.90 p. c.	25.72 p. c.	28.75 p. c.	24.98 p. c.	22.77 p. c.	22.86 p. c.
*Total lawful money reserve in bank	$2,468,067	$2,229,563	$2,208,762	$4,106,212	$4,309,454	$3,612,613	$2,153,138	$2,104,628	$2,162,171

RESOURCES.	NEW ORLEANS, LA. Apr. 30, 1902.	NEW ORLEANS, LA. July 16, 1902.	NEW ORLEANS, LA. Sept. 15, 1902.	OMAHA, NEB. Apr. 30, 1902.	OMAHA, NEB. July 16, 1902.	OMAHA, NEB. Sept. 15, 1902.	PHILADELPHIA, PA. Apr. 30, 1902.	PHILADELPHIA, PA. July 16, 1902.	PHILADELPHIA, PA. Sept. 15, 1902.
Loans and discounts	$16,102,963	$17,063,837	$13,964,728	$16,897,270	$17,542,314	$16,770,692	$146,378,181	$149,552,830	$153,086,871
Overdrafts	986,764	493,480	638,450	99,164	127,179	129,456	7,219	7,442	8,930
U. S. bonds to secure circulation	1,160,000	1,160,000	1,060,000	1,250,000	1,250,000	1,250,000	9,761,500	9,389,500	9,319,500
U. S. bonds to secure U. S. deposits	450,000	550,000	450,000	1,000,000	1,000,000	1,000,000	4,504,000	4,504,000	4,504,000
U. S. bonds on hand	125,590	147,090	133,340	5,600	9,500	10,800	9,700	9,700	9,700
Premiums on U. S. bonds	17,424	37,647	17,538	136,584	129,463	126,661	361,322	408,822	407,128
Stocks, securities, etc	2,526,253	2,282,036	2,068,166	1,401,993	1,429,971	1,350,413	27,252,677	26,948,891	27,913,959
Banking house, furniture and fixtures	517,184	516,332	466,717	795,580	795,560	795,160	3,833,403	3,839,220	3,842,107
Other real estate and mortgages owned	64,170	64,170	37,441	224,441	175,661	178,150	670,936	665,811	615,121
Due from National banks (not reserve agents)	1,176,453	1,198,998	701,874	2,015,671	1,964,977	2,105,842	19,203,359	20,070,668	21,445,421
Due from State banks and bankers	1,369,846	1,397,604	1,014,320	707,023	651,811	951,587	4,131,303	4,074,446	5,309,660
Due from approved reserve agents	4,076,714	3,030,956	2,136,220	3,224,442	3,201,022	3,341,441	35,821,670	31,243,570	32,504,466
Checks and other cash items	10,829	26,276	37,768	74,744	112,299	119,818	1,977,457	1,808,863	1,811,069
Exchanges for clearing-house	1,398,874	1,139,548	1,871,942	616,171	603,882	781,848	17,966,715	14,834,158	18,938,105
Bills of other National banks	199,640	169,679	136,352	170,332	181,380	165,576	375,784	373,522	321,066
Fractional paper currency, nickels and cents	14,381	18,260	8,712	5,466	4,212	5,184	51,023	52,398	56,940
*Lawful money reserve in bank, viz.:									
Gold coin	187,229	244,173	139,891	1,300,010	870,712	728,192	1,881,408	1,864,009	1,683,217
Gold Treasury certificates	600,740	474,820	234,490	225,000	240,000	224,520	6,006,860	6,129,100	4,642,540
Gold clearing-house certificates	365,000	266,000	390,000	......	......	......	7,220,000	8,185,000	7,755,000
Silver dollars	64,798	58,428	36,080	107,048	133,109	121,143	338,006	316,634	268,348
Silver Treasury certificates	811,294	613,419	406,167	316,165	332,980	333,482	4,099,016	4,425,509	3,088,963
Silver fractional coin	53,057	60,357	29,909	85,405	85,931	89,059	349,417	389,495	343,262
Legal-tender notes	1,016,025	983,705	567,441	825,045	1,330,750	1,029,742	3,491,623	3,800,641	3,106,072
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	58,000	58,000	53,000	63,208	62,500	62,500	488,075	469,475	456,750
Due from U. S. Treasurer	9,000	4,400	2,300	10,720	139	14,608	112,818	83,218	53,383
Total	$33,362,233	$32,058,721	$26,622,731	$31,557,089	$32,235,809	$31,685,832	$296,293,478	$293,446,958	$296,491,025
LIABILITIES.									
Capital stock paid in	$2,300,000	$2,300,000	$2,000,000	$3,450,000	$3,450,000	$3,450,000	$21,405,000	$21,405,000	$21,405,000
Surplus fund	3,275,000	3,400,000	2,800,000	485,000	498,000	518,000	20,535,000	21,215,000	21,215,000
Undiv. profits, less expenses and taxes paid	578,831	425,822	875,626	201,818	167,029	187,860	4,545,584	3,707,833	4,368,541
National bank notes issued, less am't on hand	1,121,045	1,095,595	1,037,995	1,243,600	1,250,000	1,250,000	9,606,735	9,212,135	9,245,582
Due to other National banks	3,073,878	2,496,262	2,049,493	6,743,329	6,916,119	6,781,708	64,855,210	66,616,557	65,754,959
Due to State banks and bankers	2,711,581	3,249,484	1,458,941	5,467,908	5,236,103	5,422,597	40,609,976	38,224,256	34,341,015
Dividends unpaid	8,689	25,422	6,351	1,018	40	......	25,321	51,994	31,507
Individual deposits	19,883,825	18,656,813	15,791,289	12,982,716	13,719,023	13,074,529	130,121,816	128,242,163	135,382,661
U. S. deposits	409,437	400,000	400,000	696,290	767,289	668,476	4,283,290	4,319,034	4,310,812
Deposits of U. S. disbursing officers	......	9,820	9,438	285,418	232,208	332,665	245,152	240,078	240,999
Notes and bills rediscounted	......	......	100,000	......	......	......	......	......	......
Bills payable	......	......	100,000	......	......	......	......	60,000	25,000
Liabilities other than those above stated	......	......	493,600	......	......	......	60,390	152,905	170,445
Total	$33,362,233	$32,058,721	$26,622,731	$31,557,089	$32,235,809	$31,685,832	$296,293,478	$293,446,958	$296,491,025
Average reserve held	32.51 p. c.	25.54 p. c.	23.95 p. c.	27.12 p. c.	25.39 p. c.	23.99 p. c.	30.07 p. c.	25.28 p. c.	25.62 p. c.
* Total lawful money reserve in bank	$3,098,143	$2,700,902	$1,803,878	$2,858,673	$2,993,483	$2,526,138	$23,386,330	$25,110,388	$2,887,402

	PITTSBURG, PA.			PORTLAND, ORE.			ST. JOSEPH, MO.		
RESOURCES.	Apr. 30, 1902.	July 16, 1902.	Sept. 15, 1902.	Apr. 30, 1902.	July 16, 1902.	Sept. 15, 1902.	Apr. 30, 1902.	July 16, 1902.	Sept. 15, 1902.
Loans and discounts	$96,504,618	$107,518,186	$109,958,829	$4,115,551	$3,887,360	$4,098,804	$4,133,633	$5,532,087	$6,320,350
Overdrafts	52,803	55,547	193,958	241,277	256,114	286,378	27,268	20,014	37,648
U. S. bonds to secure circulation	6,725,000	6,535,000	7,035,000	625,000	625,000	625,000	165,000	215,000	215,000
U. S. bonds to secure U. S. deposits	2,654,000	2,704,000	2,704,000	1,000,000	1,000,000	1,000,000	100,000	100,000	100,000
U. S. bonds on hand	7,700	3,650	503,650	9,840	11,340	11,300	25,780	26,180	35,680
Premiums on U. S. bonds	300,561	311,596	408,955	29,031	18,906	18,906	5,850	10,100	9,850
Stocks, securities, etc	15,071,999	15,234,039	14,882,855	3,138,077	3,211,314	3,295,043	188,737	188,692	182,692
Banking house, furniture and fixtures	5,018,275	5,366,042	5,310,086	225,658	230,231	231,920	72,000	88,875	88,911
Other real estate and mortgages owned	645,209	626,212	522,601	112,708	112,706	110,135	......	......	......
Due from National banks (not reserve agents)	5,045,753	5,612,909	5,411,522	623,714	825,270	604,855	359,646	981,986	767,471
Due from State banks and bankers	859,827	1,511,189	1,473,608	119,364	107,360	164,447	75,809	218,036	345,802
Due from approved reserve agents	12,298,855	15,878,078	10,469,483	1,206,862	1,951,955	1,532,009	1,135,333	2,222,823	1,795,652
Checks and other cash items	689,303	491,117	408,123	46,512	65,234	53,382	41,418	45,434	46,812
Exchanges for clearing-house	4,937,096	6,880,792	5,166,224	82,755	80,696	225,560	52,600	238,871	240,037
Bills of other National banks	476,386	465,779	382,863	18,340	14,075	7,335	16,725	29,365	24,916
Fractional paper currency, nickels and cents	26,579	26,746	25,026	1,654	2,288	4,905	819	3,035	2,155
*Lawful money reserve in bank, viz.:									
Gold coin	4,201,734	4,233,282	3,583,732	1,402,720	1,555,420	1,613,275	161,852	324,327	317,420
Gold Treasury certificates	3,294,500	3,849,970	3,994,520	7,200	5,000	......	29,810	112,500	43,640
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	264,304	353,637	226,863	3,892	6,810	12,340	37,902	77,673	46,048
Silver Treasury certificates	2,060,362	2,258,635	2,274,028	14,060	18,768	11,467	177,239	228,718	199,363
Silver fractional coin	147,649	147,336	146,779	36,000	26,695	24,506	9,553	30,817	13,887
Legal-tender notes	4,485,526	4,767,800	3,456,598	27,773	32,709	28,829	250,593	325,354	350,457
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	336,250	324,250	329,125	31,250	31,250	31,250	8,250	10,750	10,750
Due from U. S. Treasurer	53,000	90,950	51,353	......	......	......	6,300	5,000	5,000
Total	$166,157,297	$185,245,848	$178,919,788	$13,114,244	$14,076,508	$13,971,652	$7,084,137	$11,084,635	$11,199,047
LIABILITIES.									
Capital stock paid in	$16,870,000	$19,970,000	$18,722,520	$1,100,000	$1,100,000	$1,100,000	$350,000	$550,000	$550,000
Surplus fund	16,623,188	19,117,980	18,627,930	190,000	190,000	190,000	116,300	116,750	116,000
Undiv. profits, less expenses and taxes paid	5,634,646	5,698,357	5,739,570	715,863	746,171	779,011	153,083	147,379	172,959
National bank notes issued, less am't on hand	6,695,397	6,464,097	6,743,097	590,410	596,860	625,000	165,000	173,000	215,000
Due to other National banks	18,864,782	19,165,323	20,981,447	1,287,623	1,607,634	1,453,497	982,750	1,585,528	1,484,567
Due to State banks and bankers	12,609,323	18,005,448	15,407,579	1,303,822	1,138,181	1,066,996	2,206,451	3,518,050	3,612,047
Dividends unpaid	37,487	65,731	31,451	30	3,361	362	......	......	......
Individual deposits	85,642,548	93,199,544	89,272,501	7,067,065	7,718,953	7,812,958	3,010,635	4,843,944	4,947,760
U. S. deposits	2,500,338	2,559,819	2,581,341	285,223	475,333	373,839	93,554	95,592	95,820
Deposits of U. S. disbursing officers	151,324	145,290	123,628	574,185	500,013	509,987	6,360	4,396	4,141
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	324,000	170,000	......	......	......	......	......	......
Liabilities other than those above stated	528,260	530,255	518,720	......	......	......	......	......	......
Total	$166,157,297	$185,245,848	$178,919,788	$13,114,244	$14,076,508	$13,971,652	$7,084,137	$11,084,635	$11,199,047
Average reserve held	24.97 p. c.	25.80 p. c.	21.12 p. c.	28.20 p. c.	p. c.	29.10 p. c.	31.25 p. c.	25.38 p. c.	23.64 p. c.
* Total lawful money reserve in bank	$14,454,076	$15,610,660	$13,682,520	$1,491,645	$1,645,402	$1,690,417	$666,950	$1,098,885	$970,815

Resources.	ST. LOUIS, MO. Apr. 30, 1902.	ST. LOUIS, MO. July 16, 1902.	ST. LOUIS, MO. Sept. 15, 1902.	ST. PAUL, MINN. Apr. 30, 1902.	ST. PAUL, MINN. July 16, 1902.	ST. PAUL, MINN. Sept. 15, 1902.	SAN FRANCISCO, CAL. Apr. 30, 1902.	SAN FRANCISCO, CAL. July 16, 1902.	SAN FRANCISCO, CAL. Sept. 15, 1902.
Loans and discounts	$75,173,918	$79,824,773	$83,944,188	$13,880,880	$14,447,000	$14,514,000	$20,107,940	$20,961,067	$20,947,531
Overdrafts	80,999	137,022	112,047	13,336	2,965	14,019	64,464	107,276	129,930
U. S. bonds to secure circulation	11,050,000	11,000,000	11,950,000	696,000	696,035	696,000	4,000,000	4,800,000	4,800,000
U. S. bonds to secure U. S. deposits	3,182,500	2,582,500	2,879,000	1,458,000	1,458,000	1,458,000	874,000	874,000	874,000
U. S. bonds on hand	18,790	18,290	16,940	100	640	600	156,040	73,940	84,100
Premiums on U. S. bonds	387,710	217,710	261,252	7	......	21	191,085	191,865	192,369
Stocks, securities, etc	5,995,738	6,531,968	5,649,289	3,416,188	3,397,197	3,298,441	2,070,872	2,188,871	2,334,302
Banking house, furniture and fixtures	200,000	200,000	200,000	585,218	585,218	585,218	341,718	341,638	310,818
Other real estate and mortgages owned	133,792	134,597	135,005	178,707	145,688	145,089	1,568	......	30,962
Due from National banks (not reserve agents)	13,902,494	14,295,981	14,334,933	1,210,250	1,359,890	1,357,525	1,515,402	1,842,936	2,368,624
Due from State banks and bankers	4,747,227	4,425,655	4,883,692	359,737	404,337	404,372	3,621,004	3,031,435	3,511,379
Due from approved reserve agents	......	......	......	5,368,024	4,112,097	4,077,950	2,291,351	2,161,216	2,399,890
Checks and other cash items	195,650	498,274	345,245	131,142	157,600	159,756	45,679	44,676	58,730
Exchanges for clearing-house	5,180,170	3,099,622	2,453,885	565,796	633,153	384,309	1,068,914	981,711	1,681,671
Bills of other National banks	253,142	309,560	394,967	97,908	205,276	128,357	45,769	34,659	105,831
Fractional paper currency, nickels and cents.	3,559	3,903	5,693	2,530	4,323	4,139	3,024	4,647	5,089
*Lawful money reserve in bank, viz.:									
Gold coin	3,388,985	2,812,960	2,881,990	1,847,659	1,584,410	1,522,463	6,859,505	4,509,140	4,583,647
Gold Treasury certificates	1,716,720	8,867,410	9,612,890	35,700	875,000	90,480	361,740	940,160	300,650
Gold clearing-house certificates	5,165,000	......	......	210,000	......	300,000	40,000	5,000	960,000
Silver dollars	60,146	70,166	80,705	94,339	86,150	100,900	79,323	50,545	54,384
Silver Treasury certificates	2,437,833	2,246,451	1,849,689	72,031	184,500	159,004	11,808	15,133	19,905
Silver fractional coin	20,902	26,877	23,287	63,881	56,352	23,199	89,710	145,504	130,487
Legal-tender notes	4,146,102	4,337,169	3,701,427	248,626	350,816	309,587	16,479	38,190	48,597
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	350,150	502,500	582,500	34,800	34,800	34,800	195,000	215,000	215,000
Due from U. S. Treasurer	12,850	18,350	9,000	48,922	21,850	40,120	1,350	......	3,850
Total	$137,803,877	$141,656,743	$146,307,528	$30,559,264	$30,308,303	$29,806,355	$44,053,745	$43,058,115	$45,647,897
Liabilities.									
Capital stock paid in	$13,400,000	$14,400,000	$14,400,000	$3,800,000	$3,800,000	$3,800,000	$6,200,000	$6,200,000	$6,200,000
Surplus fund	4,800,000	8,400,000	8,400,000	806,000	830,000	830,000	3,100,000	3,150,000	3,150,000
Undiv. profits, less expenses and taxes paid.	3,847,862	3,891,542	4,210,393	523,414	573,725	635,724	896,891	748,991	911,558
National bank notes issued, less am't on hand	10,896,997	10,927,797	11,710,390	649,720	650,220	649,220	3,456,650	4,193,440	4,199,800
Due to other National banks	28,833,219	26,871,185	27,892,808	4,790,926	3,691,457	4,124,217	1,700,413	1,649,740	1,718,538
Due to State banks and bankers	25,656,518	22,337,486	24,277,696	4,016,229	3,323,043	3,080,052	7,112,241	6,817,786	7,151,126
Dividends unpaid	6,069	10,460	8,823	2,011	4,264	1,207	5,625	41,960	3,115
Individual deposits	46,788,813	50,597,555	44,548,121	14,531,630	16,005,258	15,258,516	20,688,741	19,829,597	21,405,967
U. S. deposits	3,218,757	2,575,084	2,880,252	1,164,452	1,167,595	1,023,966	870,431	908,938	890,090
Deposits of U. S. disbursing officers	4,000	33,632	23,389	274,880	257,739	405,451	......	......	......
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	5,887,928	......	......	......	......	......	......
Liabilities other than those above stated	356,639	1,611,999	2,067,725	......	......	......	22,749	22,691	22,691
Total	$137,803,877	$141,656,743	$146,307,528	$30,559,264	$30,308,303	$29,806,355	$44,053,745	$43,058,115	$45,647,897
Average reserve held	26.49 p. c.	23.50 p. c.	24.15 p. c.	35.33 p. c.	24.66 p. c.	24.19 p. c.	41.22 p. c.	35.36 p. c.	37.08 p. c.
* Total lawful money reserve in bank	$16,935,188	$18,361,063	$18,149,988	$2,562,236	$2,687,228	$2,505,634	$7,458,565	$5,703,672	$6,097,670

Resources.	Savannah, Ga. Apr. 30, 1902.	Savannah, Ga. July 16, 1902.	Savannah, Ga. Sept. 15, 1902.	Washington, D. C. Apr. 30, 1902.	Washington, D. C. July 16, 1902.	Washington, D. C. Sept. 15, 1902.
Loans and discounts	$1,967,188	$1,698,871	$1,841,421	$13,104,762	$13,119,338	$13,266,419
Overdrafts	8,885	208	7,700	6,927	9,860	20,224
U. S. bonds to secure circulation	200,000	200,000	200,000	1,219,000	1,219,000	1,219,000
U. S. bonds to secure U. S. deposits	127,000	127,000	127,000	451,000	451,000	451,000
U. S. bonds on hand	......	......	......	155,840	154,430	150,470
Premiums on U. S. bonds	1,500	1,500	1,500	68,198	67,645	67,124
Stocks, securities, etc	25,749	25,799	25,849	1,383,987	1,485,766	1,544,102
Banking house, furniture and fixtures	54,631	54,131	54,131	1,284,714	1,284,714	1,284,769
Other real estate and mortgages owned	......	......	......	106,078	106,078	115,103
Due from National banks (not reserve agents)	40,864	38,883	72,033	2,461,828	2,371,129	2,338,183
Due from State banks and bankers	15,[illegible]86	6,838	15,139	452,477	439,317	437,765
Due from approved reserve agents	120,731	119,097	318,076	3,542,586	3,922,585	3,736,816
Checks and other cash items	235	5	5	309,531	168,233	193,895
Exchanges for clearing-house	35,801	64,323	......	297,879	309,472	346,192
Bills of other National banks	11,000	22,000	21,500	8,655	5,975	11,695
Fractional paper currency, nickels and cents	1,901	2,947	2,684	8,368	7,419	6,646
*Lawful money reserve in bank, viz.:						
Gold coin	25,500	48,000	23,000	76,940	82,605	72,063
Gold Treasury certificates	90,000	55,000	45,000	1,407,970	1,642,040	1,026,250
Gold clearing-house certificates	......	......	......	......	......	230,000
Silver dollars	8,000	9,000	7,500	8,345	10,269	5,156
Silver Treasury certificates	34,857	47,000	30,729	586,038	708,533	627,227
Silver fractional coin	19,300	22,500	6,100	65,749	68,010	43,966
Legal-tender notes	85,000	55,467	16,000	480,867	454,554	412,859
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......
Five per cent. redemption fund with Treasurer	10,000	10,000	10,000	55,950	55,950	55,950
Due from U. S. Treasurer	2	2	2	3,500	4,750	3,350
Total	$2,903,435	$2,608,021	$2,825,874	$27,608,190	$28,143,679	$27,661,289
Liabilities.						
Capital stock paid in	$750,000	$750,000	$750,000	$2,775,000	$2,775,000	$2,775,000
Surplus fund	225,000	225,000	225,000	1,707,000	1,740,000	1,770,000
Undivided profits, less expenses and taxes paid	135,126	126,570	138,234	564,853	568,246	565,858
State bank notes outstanding	185,395	188,145	199,995	1,093,275	1,099,875	1,112,175
Due to other National banks	227,736	67,399	146,322	325,896	482,452	354,029
Due to State banks and bankers	183,595	174,290	276,163	1,014,687	946,839	850,830
Dividends unpaid	525	1,256	475	4,277	10,760	5,157
Individual deposits	1,001,454	944,057	828,664	19,666,970	20,065,877	19,771,604
U. S. deposits	69,649	66,493	55,497	367,067	432,641	380,804
Deposits of U. S. disbursing officers	54,041	58,808	72,021	89,162	21,985	75,770
Notes and bills rediscounted	......	......	......	......	......	......
Bills payable	70,910	6,000	133,000	......	......	......
Liabilities other than those above stated	......	......	......	......	......	......
Total	$2,903,435	$2,608,021	$2,825,874	$27,608,190	$28,143,679	$27,661,230
Average reserve held	27.43 p. c.	31.02 p. c.	22.99 p. c.	31.85 p. c.	27.29 p. c.	24.81 p. c.
*Total lawful money reserve in bank	$262,657	$236,967	$128,829	$2,714,904	$2,506,457	$2,417,521

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, November 1, 1902.

EASIER MONEY AND THE SETTLEMENT OF THE COAL STRIKE were the impressive features of the past month. In both cases relief did not come until about the middle of the month. Money on call commanded as high as eighteen per cent. on October 13, and anthracite coal was selling at $25 a ton in New York.

The end of the coal strike came through an offer by the operators to submit certain questions to arbitration by a commission to be appointed by President Roosevelt. After several days' consideration the striking miners accepted a modified proposition and on October 23 work at the mines was resumed. The strike had lasted more than five months and in that time the loss to operators, strikers, railroads, business men, etc., is estimated to have approximated $150,000,000. The net earnings of six coal-mining and carrying companies in the five months ended September 30 fell off about $10,000,000 as compared with the corresponding period of last year. This alone is sufficient evidence of the injury resulting from the strike.

The Secretary of the Treasury continued his efforts to relieve the money stringency. On October 4 he announced positively that the law requiring a reserve against deposits would not be enforced as to Government deposits secured by Government bonds. The New York Clearing-House committee, however, gave notice that the twenty-five per cent. rule would be insisted upon and that the weekly statements must be made up as heretofore. As the New York Clearing-House banks carry about $40,000,000 deposits belonging to the Government, the difference in computing their reserves would amount to about $10,000,000. With the Government deposits included the surplus reserve did not get below $1,500,000 last month, and late in the month the sub-Treasury disbursements for bonds caused the reserves to increase substantially. The close of the month finds the banks with a surplus reserve of $21,339,000, as against a deficit of $1,642,000 on September 20 last.

Some of the plans devised by the Secretary of the Treasury a few weeks ago have produced effective results. Something like $16,000,000 of State and municipal bonds have been tendered by banks in substitution for Government bonds securing public deposits. The November 1 interest on Government bonds was anticipated, giving some relief to the money market.

On October 13 a syndicate of New York bankers made an agreement with the Secretary to sell to the Government $5,000,000 of the four per cent. bonds of 1925 at 138 flat. Four days later Secretary Shaw made an offer to buy the same class of bonds for the sinking fund and to pay for them at the rate of 137¾ and interest to date of purchase. More than $15,000,000 of the bonds have been sold to the Treasury and nearly $21,000,000 of cash has been paid for them.

The money situation here has undoubtedly become very much easier. But with the decline in loaning rates in New York has come an advance in rates for sterling, and the possibility of gold exports at this unusual season of the year is gravely considered.

The Bank of England on October 2 advanced its rate of discount from three to four per cent., and the Bank of Germany within a week adopted the same action. In England there is reported to be an urgent need of money. The enormous amount

of money expended in the South African war, and still larger amount of capital invested in South African securities which are yielding scarcely any income, have made money scarce even in London. Whether it will undertake to supply its needs by drawing upon our store of gold, is a question not easy to answer just now.

The stock market has displayed less vitality than has been the rule of late. The turn in the money market has caused more conservatism in operating in securities. The wisdom of displaying caution is more generally recognized, and while railroad earnings continue favorable and our large crops promise a continuance of good times, the fact that values have advanced to unparalleled heights inspires caution. Then experience has frequently taught that December is a dangerous month when the market has had a big advance.

Our foreign trade is attracting renewed attention by reason of the very large volume of imports of merchandise, these being valued at nearly $88,000,000 in the month of September. Only under exceptional circumstances have our imports in any single month equalled that figure. While our exports again show an increase, the gain does not compare with that in imports. The changes in our foreign trade are suggested in the following comparison :

YEAR.	MONTH OF SEPTEMBER.			*Nine months, Jan. 1 to Sept. 30. Excess of exports.*
	Exports.	*Imports.*	*Excess of exports.*	
1900	$115,901,722	$59,568,600	$56,333,122	$407,496,805
1901	106,989,926	66,826,813	40,163,113	399,841,698
1902	115,521,984	87,819,707	27,702,277	235,218,080

While the imports have increased during September $21,000,000 over 1901 and $28,000,000 over 1900, exports are only $8,500,000 more than last year and slightly less than in 1900. The balance of exports has therefore fallen from $56,000,000 in 1900 and $40,000,000 in 1901 to less than $28,000,000 in 1902. For the nine months of the present calendar year the net exports were only $235,000,000, a decrease of $164,000,000 compared with 1901 and of $172,000,000 compared with 1900.

The exports in September were materially helped out by the early movement in cotton. The exports of that staple during the month reached in value nearly $30,000,000 as compared with about $16,500,000 in 1901 and $20,000,000 in 1900. The average export price is a little higher than it was a year ago, but lower than in 1900. The usual autumn movement of breadstuffs has begun but it is only slightly in excess of a year ago. Wheat exports have increased but corn exports are less than last year's.

THE RAILROADS OF THE UNITED STATES.—From the introduction of "Poor's Manual" for 1902 some very interesting information is obtained concerning the railroads of the country. The statistics covering the operations of the roads during the calendar year are fairly complete for nearly 196,000 miles of road, or ninety-eight per cent. of the entire mileage. They show that the total capital stock on December 31, 1901, was $5,978,796,249, an increase for the year of $174,000,000, and the bonded debt was $6,035,469,741, an increase of nearly $277,000,000. The bonded debt is once more in excess of the capital stock. Prior to 1887 the capital stock usually exceeded the bonded debt, then for ten consecutive years the aggregate of bonds was in excess of the share capital, which was also the case in 1898. In only three years, 1897, 1899 and 1900, since 1896 has the capital stock been greater in amount than the bonded debt. The mileage, capital stock and bonded debt for the years given were as follows :

YEAR.	Miles of railroad.	CAPITAL STOCK.		BONDED DEBT.	
		Total.	Per mile.	Total.	Per mile.
1880	92,147	$2,708,673,375	$29,395	$2,530,874,943	$27,466
1885	127,689	3,778,609,737	29,592	3,740,255,066	29,292
1890	163,359	4,590,471,560	28,101	5,055,225,025	30,945
1895	179,821	5,181,873,599	28,814	5,648,650,436	31,413
1896	181,394	5,373,187,619	29,621	5,461,856,798	30,110
1897	183,547	5,602,964,449	30,526	5,534,432,498	30,153
1898	184,894	5,581,522,858	30,188	5,635,363,594	30,479
1899	187,781	5,742,181,181	30,579	5,644,858,027	30,061
1900	192,162	5,804,346,250	30,205	5,758,592,754	29,967
1901	195,887	5,978,796,249	30,521	6,035,469,741	30,811

The capital stock per mile is $30,521, which is within $111 of the highest recorded since 1880. In 1881 the average was $30,690 per mile and in 1889 it had fallen to $27,806. Since the latter year the high records have been $30,526 in 1897 and $30,579 in 1899. The average increased $316 per mile last year.

The bonded debt per mile is $30,811, the highest since 1895, and an increase in one year of $844. The average per mile advanced almost continuously from $27,466 in 1880 to $31,484 in 1894, and subsequently fell to $29,967 in 1900, the lowest since 1889. The total capital stock and bonded debt is now larger per mile than at any previous time in more than twenty years. It is $61,332 per mile, an increase in one year of $1,160, and since 1896 of $1,601. In 1887 the average was $56,116 per mile, or $5,216 less than the present average.

A very interesting table shows the freight and passenger rates and the returns on stocks and bonds during the past twenty years, as follows:

YEAR.	Interest average rate.	Dividends average rate.	Per ton per mile average rate.	Per passenger per mile average rate.	EARNINGS PER MILE OF RAILROAD IN OPERATION.		Percentage of expenses to earnings.
					Gross.	Net.	
	Per cent.	Per cent.	Cents.	Cents.			
1882	4.76	2.92	1.236	2.447	$7,283	$2,650	63.63
1883	4.94	2.76	1.224	2.422	7,405	2,679	63.82
1884	4.82	2.50	1.124	2.356	6,663	2,318	65.22
1885	4.97	2.00	1.057	2.199	6,209	2,163	65.17
1886	4.86	2.02	1.042	2.194	6,570	2,376	63.83
1887	4.86	2.17	1.034	2.276	6,799	2,418	64.44
1888	4.48	1.80	0.977	2.246	6,540	2,045	68.72
1889	4.53	1.79	0.970	2.169	6,446	2,066	67.95
1890	4.44	1.82	0.927	2.174	6,875	2,166	68.50
1891	4.41	1.87	0.929	2.184	6,851	2,135	68.83
1892	4.25	1.93	0.941	2.168	6,852	2,068	69.82
1893	4.31	1.88	0.893	2.072	6,963	2,069	70.29
1894	4.19	1.66	0.864	2.025	6,054	1,808	70.23
1895	4.24	1.58	0.839	2.069	6,097	1,804	70.41
1896	4.45	1.52	0.821	2.032	6,223	1,840	70.43
1897	4.24	1.49	0.797	2.029	6,228	1,884	69.74
1898	4.21	1.68	0.758	1.994	6,771	2,111	68.16
1899	4.24	1.90	0.726	2.002	7,161	2,272	68.27
1900	4.24	2.42	0.746	2.031	7,826	2,519	68.98
1901	4.21	2.62	0.743	2.028	8,270	2,668	67.73

In the above table may be traced not only the past experience of the railroad companies, but their future possibilities. The rate of interest paid on the bonded debt has ranged from 4.97 per cent. in 1885 to 4.19 per cent. in 1894. While the railroads have been exceptionally prosperous in the last five years, the rate of interest averaged only 4.21 per cent. in 1901. The reason is to be found in the refunding of high interest-bearing bonds into lower rate bonds. In the matter of dividends the highest rate during the past twenty years was 2.92 per cent. in 1882, and the lowest 1.49 per cent. in 1897. Last year the rate was 2.62 per cent.

The average freight rate fell from 1.236 cents in 1882 to .726 cent in 1899 and was only .748 cent in 1901. The passenger rate fell from 2.447 cents in 1882 to 1.994 cents in 1898, and was 2.028 cents in 1901. These rates are therefore very close to the lowest on record.

Gross earnings, however, have reached the highest average per mile ever recorded, $8,270. Here the change since 1894 is most striking, the increase over that year being $2,216 per mile, or thirty six per cent. With this increase has come an increase in net earnings since 1894 of $865 per mile, or forty-eight per cent. Except in 1883 the net earnings per mile in no other year in the last twenty years have equalled those of 1901.

The ratio of expenses to earnings last year was 67.73 per cent., the lowest since 1887, and a decrease of 2.70 per cent. compared with 1896. In all these particulars the statistics are extremely favorable and they account for the greater stability railroad securities now possess in public estimation.

National Banks of the United States.—Again the aggregated statements of the National banks of the country show old records broken and new records made. The National banking system has broadened out to limits beyond all precedent. It includes 4,601 independent banks with resources amounting to $6,113,928,912, as shown by the reports of the banks on September 15 last. In both these particulars the system has outgrown all previous records. In twelve months the number of National banks has been increased by 380 and the resources by nearly $419,000,000. During the same time the aggregate capital stock has been increased more than $50,000,000, the total now being $705,535,417. The surplus and profits aggregate $496,000,000, an increase of $65,000,000 in the last year. The individual deposits have increased $271,500,000 and amount to $3,209,000,000. Other deposits, including public deposits and deposits of banks, trust companies, etc., amount to $1,323,000,000.

The following table shows the changes in some of the principal items as indicated in the statements of the National banks made during the last two years:

Condition of the National Banks of the United States.

	Capital.	*Surplus.*	*Individual deposits.*	*Gold.*	*Silver.*	*Legal tenders.*
December 13, 1900	$632,353,495	$262,387,648	$2,623,997,522	$301,619,990	$58,052,234	$142,134,945
February 5, 1901..	634,696,505	266,520,595	2,753,969,722	332,971,037	66,985,107	152,386,332
April 24, 1901.....	640,778,600	267,810,240	2,893,665,450	315,546,242	71,227,450	159,324,246
July 15, 1901.......	645,719,099	274,194,176	2,941,837,429	302,826,065	68,259,478	164,929,624
September 30, 1901	655,341,880	279,532,859	2,937,753,233	314,397,341	62,284,530	151,018,751
December 10, 1901	665,340,664	287,170,338	2,964,417,966	303,753,440	65,899,068	151,118,858
February 25, 1902.	667,381,231	294,951,787	2,982,489,301	337,851,267	69,230,896	154,682,644
April 30, 1902.....	617,176,312	298,597,509	3,111,690,196	321,866,068	76,894,493	159,292,682
July 16, 1902......	701,990,554	325,524,915	3,098,875,772	323,118,823	81,645,155	164,854,292
September 15, 1902	705,535,417	326,393,953	3,209,273,894	298,862,066	67,374,054	141,757,618

In the last five years the number of National banks in the United States has increased 984 and their capital $74,000,000. The distribution of banks and bank capital five years ago and now is shown in the following table:

States.	October 31, 1897.		September 15, 1902.	
	Number of banks.	*Capital.*	*Number of banks.*	*Capital.*
New England States..............................	588	$159,191,620	550	$128,220,820
Eastern States....................................	956	195,124,275	1,141	253,438,585
Southern States..................................	546	66,761,900	823	78,828,945
Middle Western States...........................	1,046	160,163,967	1,350	185,408,800
Western States....................................	357	82,654,100	587	88,096,267
Pacific States.....................................	124	17,465,000	150	21,547,000
Total United States..........................	3,617	$631,360,862	4,601	$705,535,417

There has been a reduction in the number and capital of the National banks in the New England States, but with that exception there has been an increase in all sections. While the Eastern States have the largest amount of capital, the Middle Western States have the greatest number of National banks. In the Southern and Western States is shown the largest percentage of increase in number of banks.

The Act of March 14, 1900, has caused to some extent the great expansion in National banking. Since the passage of that act, up to October 1, 1179 National banks have been organized, 785 of them with a less capital than the former minimum of $50,000 each, while 394 have been organized with a capital of $50,000 or more. Of the smaller banks 444 are absolutely new banks, the remainder being conversions or reorganizations.

THE MONEY MARKET.—There was a stringent money market early in the month and the rate for call loans touched 18 per cent. But the relief afforded by the United States Treasury caused bank reserves to increase and rates for money to decline. At the close of the month call money ruled at 5 @ 7 per cent., the average rate being about 5½ per cent. Banks and trust companies have loaned at 4 per cent. as the minimum rate. Time money on Stock Exchange collateral is quoted at 6 per cent. for all periods from 60 days to 6 months on good mixed collateral. For commercial paper the rates are 5½ @ 6 per cent. for 60 to 90 days' endorsed bills receivable, 5½ @ 6 per cent. for first-class 4 to 6 months' single names, and 6½ @ 7 per cent. for good paper having the same length of time to run.

MONEY RATES IN NEW YORK CITY.

	June 1.	*July 1.*	*Aug. 1.*	*Sept. 1.*	*Oct. 1.*	*Nov. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances........	2¾ –3½	3½–7	2½–8	4 –5½	4 –19	5 –7
Call loans, banks and trust companies.	3 —	3 —	3 —	3½—	6 —	4 —
Brokers' loans on collateral, 30 to 60 days.	4¼– ½	4¼ –	4½—	5 —	6 @ 1%	6 —
Brokers' loans on collateral, 90 days to 4 months.	4¼– ½	4¼–4½	4½– ¾	5 – ½	6 @ 1%	6 —
Brokers' loans on collateral, 5 to 7 months.	4¼– ½	4½—	4¾—5	5 – ½	6 —	6 —
Commercial paper, endorsed bills receivable, 60 to 90 days.	4¼– ½	4½—	4½– ¾	5 —	6 —	5½—6
Commercial paper prime single names, 4 to 6 months.	4¼– ¾	4½—5	4½–5	5 – ½	6 —	5½—6
Commercial paper, good single names, 4 to 6 months.	5 – ½	5 —5½	5½—6	5½—6	6½—	6½—7

NEW YORK CITY BANKS.—Very soon after the first of the month the New York Clearing-House banks began to strengthen their position as regards their cash reserves. After the middle of the month these reserves increased very rapidly as a result of the disbursements for bond purchases. In the last four weeks the specie reserve increased $23,000,000 and legal tenders $1,600,000. The surplus reserve, after falling to $1,527,000 on October 11, increased to $21,339,000 on November 1. One of the most interesting facts disclosed by the weekly statements of these institutions is the remarkable increase in circulation. During the month of October there was

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Oct. 4...	$872,303,700	$151,269,900	$68,593,300	$872,176,000	$1,819 200	$35,660,900	$1,779,504,400
" 11...	874,647,900	152,338,200	67,274,300	872,340,600	1,527,350	36,072,500	1,702,293,400
" 18...	865,450,800	154,112,000	67,277,700	863,125,800	5,608,250	37,856,100	1,721,164,800
" 25...	870,977,600	169,032,500	69,420,300	882,685,300	17,781,475	40,128,900	1,607,249,400
Nov. 1...	878,509,700	174,524,000	70,262,900	893,791,200	21,339,100	42,098,900	1,423,092,500

an increase of $7,000,000, making a total of $9,000,000 since September 1. These banks now have a circulation of more than $42,000,000 as compared with about $32,000,000 a year ago, $16,000,000 three years ago, and less than $6,000,000 in 1892.

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	*1900.*		*1901.*		*1902.*	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$740,046,900	$11,168,075	$854,189,200	$11,525,900	$910,860,800	$7,515,575
February......	795,917,300	30,871,275	969,917,500	24,838,825	975,997,000	26,628,350
March.........	829,917,000	13,641,550	1,012,514,000	14,801,100	1,017,488,300	9,975,925
April..........	807,816,600	9,836,150	1,004,283,200	7,870,500	965,853,300	6,965,575
May...........	852,062,500	21,128,300	970,790,500	16,759,775	968,189,600	7,484,000
June	887,954,500	20,122,275	952,398,200	21,253,050	948,326,400	11,929,000
July	888,249,300	16,859,375	971,382,000	8,484,200	955,829,400	12,978,350
August........	887,841,700	27,535,975	955,912,200	22,165,350	957,145,500	13,738,125
September....	903,486,900	27,078,475	968,121,900	11,919,925	935,998,500	9,742,775
October.......	884,706,800	12,942,600	936,452,300	16,298,025	876,519,100	3,296,625
November	841,775,200	5,950,400	958,062,400	10,482,800	898,791,200	21,339,100
December.....	864,410,900	10,865,675	940,668,500	13,414,575	....	....

Deposits reached the highest amount, $1,019,474,200 on Feb. 21, 1901, loans, $938,191,200 on March 1, 1902, and the surplus reserve $111,623,000 on Feb. 3, 1894.

NON-MEMBER BANKS—NEW YORK CLEARING-HOUSE.

DATES.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus.*
Oct. 4....	$79,626,500	$83,251,100	$3,398,900	$4,008,300	$7,609,200	$2,552,800	* $3,243,575
" 11....	79,286,900	84,658,200	3,677,900	4,514,100	8,084,200	1,914,400	* 3,022,700
" 18....	79,087,900	82,985,800	3,489,300	4,332,000	7,303,400	1,695,500	* 3,926,250
" 25....	78,297,100	82,077,100	3,515,900	4,360,500	7,156,300	1,886,400	* 3,600,175
Nov. 1....	77,753,500	81,408,000	3,397,300	4,284,500	7,509,400	1,638,700	* 3,522,100

* Deficit.

BOSTON BANKS.

DATES.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
Oct. 4.......	$188,661,000	$208,306,000	$15,346,000	$5,763,000	$5,830,000	$149,842,700
" 11.......	189,810,000	208,946,000	14,864,000	5,537,000	5,836,000	147,186,100
" 18.......	191,398,000	213,326,000	15,883,000	6,081,000	5,886,000	142,482,100
" 25.......	191,404,000	211,057,000	16,443,000	6,583,000	6,148,000	134,623,900
Nov. 1.......	191,866,000	213,229,000	16,451,000	6,564,000	6,449,000	132,182,152

PHILADELPHIA BANKS.

DATES.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
Oct. 4..................	$187,278,000	$213,593,000	$49,469,000	$8,762,000	$129,829,300
" 11..................	185,909,000	209,541,000	47,557,000	8,852,000	114,139,500
" 18..................	184,192,000	209,198,000	48,624,000	9,052,000	125,008,900
" 25..................	184,478,000	206,878,000	49,390,000	9,397,000	119,363,200
Nov. 1..................	183,627,000	206,182,000	50,247,000	9,420,000	103,946,290

MONEY RATES ABROAD.—Rates for money in the leading centers abroad are generally higher than they were a month ago. The Bank of England advanced its rate from 3 to 4 per cent. on November 2 and the Imperial Bank of Germany from 3 to 4 per cent. on November 4. Discounts of 60 to 90 days' bills in London at the close of the month were 3⅝ per cent. against 3⅜ @ 3½ per cent. a month ago. The

open market at Paris was 3 per cent. against 2½ per cent. a month ago, and at Berlin and Frankfort 3⅛ per cent. against 2¾ per cent. a month ago.

Money Rates in Foreign Markets.

	June 20.	July 19.	Aug. 9.	Aug. 22.	Sept. 26.	Oct. 17.
London—Bank rate of discount.....	3	3	3	3	3	4
Market rates of discount:						
60 days bankers' drafts......	2 9/16–⅝	2½	2 9/16	2¾	3⅛–¼	3 5/16–⅜
6 months bankers' drafts....	2 9/16–⅝	2⅝–¾	2⅞	3 1/16	3½	3⅜
Loans—Day to day...........	2	2	2	2	2	2½
Paris, open market rates............	2⅜	2½	1⅞	1⅞	2⅜	2½
Berlin, "	2¼	1½	1⅝	1¾	2½	3
Hamburg, "	2¼	1½	1⅝	1¾	2½	3
Frankfort, "	2¼	1½	1⅝	1¾	2½	3
Amsterdam, "	2⅜	2½	2½	2⅝	2½	2¾
Brussels, "	2¼	2¾	2¼	2¼	2⅛	2¼
Vienna, "	2¼	2¼	2⅜	2¼	3⅜	3⅜
Madrid, "	4	4	4	4	4	4
Copenhagen, "	3½	4	4	4	4	4

Bank of England Statement and London Markets.

	July 16, 1902.	Aug. 6, 1902.	Sept. 10, 1902.	Oct. 15, 1902.
Circulation (exc. b'k post bills)..........	£29,761,905	£30,516,260	£29,578,795	£29,649,950
Public deposits............................	11,400,617	7,119,998	9,086,151	7,291,466
Other deposits.............................	39,660,772	41,234,540	39,281,110	42,021,172
Government securities.....................	16,986,460	16,982,336	14,494,260	16,343,540
Other securities..........................	28,180,067	25,723,436	26,178,244	28,199,911
Reserve of notes and coin................	26,102,050	23,836,846	26,147,078	22,644,085
Coin and bullion..........................	38,088,955	36,578,106	37,545,873	34,119,085
Reserve to liabilities....................	50⅞%	49⅛%	53 11/16%	45¾%
Bank rate of discount....................	3%	3%	3%	4%
Price of Consols (2¾ per cents.)..........	95 15/16	94⅞	93⅝	93 1/16
Price of silver per ounce.................	24 7/16d.	24¼d.	24d.	23⅜d.
Average price of wheat....................	30s. 10d.	31s. 6d.	29s. 9d.	25s. 5d.

European Banks.—The Bank of England lost $16,000,000 gold last month, the Bank of France $11,000,000 and the Bank of Germany $15,000,000. All the principal European banks, however, hold more gold than they did a year ago, with the exception of the Bank of England. It shows a net loss of about $7,500,000 compared with a year ago.

Gold and Silver in the European Banks.

	September 1, 1902.		October 1, 1902.		November 1, 1902.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England............	£37,928,138	....	£37,352,848	....	£34,090,614	....
France............	104,996,830	£44,901,016	103,796,441	£44,620,279	101,408,750	£44,351,788
Germany...........	37,413,000	13,888,000	35,999,000	13,315,000	32,902,000	12,169,000
Russia.............	74,561,000	8,920,000	72,071,000	8,010,000	71,999,000	6,687,000
Austria-Hungary..	45,142,000	12,568,000	45,785,000	12,401,000	45,810,000	12,225,000
Spain..............	14,231,000	19,560,000	14,268,000	19,491,000	14,302,000	19,449,000
Italy..............	16,105,000	2,085,200	16,062,000	2,064,800	16,298,000	2,040,400
Netherlands.......	4,741,800	6,631,600	4,741,600	6,558,500	4,691,200	6,452,200
Nat. Belgium......	3,170,667	1,585,333	3,221,333	1,610,667	3,106,667	1,554,333
Totals..........	£338,289,435	£110,089,149	£333,291,722	£108,071,246	£324,605,231	£104,988,671

Foreign Exchange.—Sterling exchange has been advancing recently under the influence of easier money here and also because of sales of American securities in London. There has been a good supply of bills against exports of cotton, but they have been quickly absorbed. Rates at the close of the month were near the point where gold exports might be possible.

RATES FOR STERLING AT CLOSE OF EACH WEEK.

WEEK ENDED.	BANKERS' STERLING. 60 days.	BANKERS' STERLING. Sight.	Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
Oct. 4	4.8300 @ 4.8310	4.8600 @ 4.8615	4.8650 @ 4.8665	4.82⅛ @ 4.82¾	4.82 @ 4.83
" 11	4.8300 @ 4.8315	4.8585 @ 4.8600	4.8640 @ 4.8650	4.82⅜ @ 4.82⅝	4.82 @ 4.83
" 18	4.8275 @ 4.8285	4.8565 @ 4.8575	4.8610 @ 4.8620	4.82¼ @ 4.82⅜	4.81¾ @ 4.82½
" 25	4.8325 @ 4.8340	4.8650 @ 4.8660	4.8690 @ 4.8700	4.82⅞ @ 4.83	4.82½ @ 4.83⅛
Nov. 1	4.8340 @ 4.8350	4.8675 @ 4.8685	4.8715 @ 4.8725	4.83 @ 4.83⅛	4.82¾ @ 4.83⅝

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	July 1.	Aug. 1.	Sept. 1.	Oct. 1.	Nov. 1.
Sterling Bankers—60 days	4.85⅜— ½	4.85¼— ½	4.83⅞— 4	4.82½— ¾	4.83¼— ½
" " Sight	4.87¾— ⅞	4.87¾— 88	4.86½— ¾	4.85⅝— ¾	4.86⅝— ⅞
" " Cables	4.88¼— ⅜	4.88⅛— ⅜	4.87 — ¼	4.86⅛— ¼	4.87 — ¼
" Commercial long	4.84⅞— 5	4.85 — ¾	4.83½— ¾	4.81¾— 2¼	4.83 — ⅛
" Docu'tary for paym't.	4.84¼— 5½	4.84½— 5¾	4.83 — 4¼	4.81½— 3	4.82¾— ⅝
Paris—Cable transfers	5.15 —	5.15 —	5.16⅞— ¼	5.17½—	5.15⅝— 3/32
" Bankers' 60 days	5.18⅛—	5.18⅛—17½	5.18¾—	5.20⅝— 1/16	5.18¾—
" Bankers' sight	5.15⅝—	5.15⅝—	5.17½—16⅞	5.18⅛—17½	5.16¼— ⅝
Swiss—Bankers' sight	5.17½—	5.17½—	5.18⅛—17½	5.18¾—	5.16⅞— ¼
Berlin—Bankers' 60 days	95— 1/16	94 15/16— 95	94¾— 13/16	94½— 9/16	94 1/16— ¾
" Bankers' sight	95 13/16— ¾	95 5/16—	95 — 1/16	94 15/16—95	95⅛— 3/16
Belgium—Bankers' sight	5.16⅞— ¼	5.16¼—	5.17½—16⅞	5.18¾— ⅛	5.16⅞—
Amsterdam—Bankers' sight	40.18—20	40¼— 5/16	40⅛— 3/16	40 1/16—	40⅛— 3/16
Kronors—Bankers' sight	26.85— 87	26.85—87	26.82 —84	26.75—78	26.82— .85
Italian lire—sight	5.22½—21¼	5.21¼— 20	5.20 —19⅝	5.18¾ - ⅛	5.15⅝—15

SILVER.—The price of silver in London made a new record on October 31, touching 23 3-16d., the lowest ever made. The market has been weak for some time and the price declined during the month from 23 11-16 to 23 3-16, clo ing at 23¼.

MONTHLY RANGE OF SILVER IN LONDON—1900, 1901, 1902.

MONTH.	1900. High	1900. Low.	1901. High	1901. Low.	1902. High	1902. Low.	MONTH.	1900. High	1900. Low.	1901. High	1901. Low.	1902. High	1902. Low.
January	27¾	27	29 3/16	27⅞	26 1/16	25⅝	July	27¾	27⅜	28 3/16	27¾	24 3/16	24 3/16
February	27¾	27 3/16	28 7/16	27⅞	25⅝	25 5/16	August	27¾	27⅛	28 7/16	27 11/16	24 7/16	24⅛
March	27 11/16	27 1/16	28 3/16	27 5/16	25 7/16	24 13/16	Septemb'r	27⅝	26 11/16	28 1/16	28¼	24⅛	23 9/16
April	27⅝	27 5/16	27 15/16	26 15/16	24⅞	23 5/16	October	26 11/16	26⅝	30 3/16	29⅛	23 11/16	23¼
May	27⅝	27½	27⅝	27 3/16	24⅛	23 3/16	Novemb'r	27 5/16	26 11/16	29 15/16	29 7/16	....	....
June	28 3/16	27 3/16	27⅝	27¼	24 7/16	23 15/16	Decemb'r	27 3/16	26 13/16	29 13/16	29⅛	....	....

GOLD AND SILVER COINAGE.—The United States Mint coined in October $1,890,000 gold, $2,287,000 silver, and $282,550 minor coin—a total of $4,459,550. There were $1,010,000 standard silver dollars coined.

COINAGE OF THE UNITED STATES.

	1900. Gold.	1900. Silver.	1901. Gold.	1901. Silver.	1902. Gold.	1902. Silver.
January	$11,515,000	$2,864,161	$12,657,200	$2,718,000	$7,660,000	$2,908,687
February	13,401,900	1,940,000	9,230,800	2,242,166	6,643,850	2,489,000
March	12,596,240	4,841,376	6,182,152	3,120,580	1,558	2,965,577
April	12,922,000	3,980,000	18,958,000	2,633,000	3,480,815	3,388,278
May	8,252,000	3,171,000	9,825,000	3,266,000	426,000	1,873,000
June	3,820,770	2,094,217	5,948,080	2,836,185	500,845	2,464,358
July	6,540,000	1,827,827	4,225,000	1,312,000	2,120,000	2,254,000
August	5,050,000	2,536,000	6,780,000	3,141,000	8,040,000	2,236,000
September	2,298,335	3,962,185	4,100,178	3,899,524	3,560,860	2,831,165
October	5,120,000	4,148,000	5,750,000	2,791,489	1,890,000	2,287,000
November	13,185,000	3,130,000	6,270,000	917,000	....	....
December	4,576,697	2,880,555	12,309,338	1,966,514	....	....
Year	$99,272,942	$36,295,321	$101,735,187	$30,838,461	$34,322,928	$25,707,005

Foreign and Domestic Coin and Bullion—Quotations in New York.

	Bid.	*Asked.*		*Bid.*	*Asked.*
Sovereigns & Bk. of Eng. notes	$4.85	$4.88	Mexican 20 pesos	$19.50	$19.60
Twenty francs	3.84	3.87	Ten guilders	3.95	4.00
Twenty marks	4.73	4.77	Mexican dollars	.39¾	.41¾
Twenty-five pesetas	4.78	4.81	Peruvian soles	.38½	.41
Spanish doubloons	15.55	15.65	Chilian pesos	.38½	.41
Mexican doubloons	15.55	15.65			

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 23 3/16d. per ounce. New York market for large commercial silver bars, 50½ @ 50¾c. Fine silver (Government assay), 50⅝ @ 52¼c. The official price was 50⅝c.

National Bank Circulation.—The National banks increased their outstanding circulation last month $13,482,736, nearly $12,000,000 of which is based upon Government bonds. The banks deposited $12,400,000 additional bonds to secure circulation, nearly $10,000,000 being two per cent. bonds. The bonds deposited to secure public deposits increased nearly $12,600,000. There was an increase of $3,400,000 in the four per cents. of 1907 and a decrease of $7,100,000 in the two per cents., while about $16,400,000 of State and city bonds were deposited. The public deposits now exceed $149,000,000.

National Bank Circulation.

	July 31, 1902.	*Aug. 31, 1902.*	*Sept. 30, 1902.*	*Oct. 31, 1902.*
Total amount outstanding	$358,984,184	$361,282,691	$366,998,598	$380,476,334
Circulation based on U. S. bonds	316,614,767	319,407,587	323,848,144	335,783,189
Circulation secured by lawful money	42,369,417	41,875,104	43,150,454	44,693,145
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	5,816,000	7,008,000	7,408,450	8,248,450
Five per cents. of 1894	605,900	610,900	810,900	1,100,900
Four per cents. of 1895	2,076,600	2,116,600	2,569,600	2,298,600
Three per cents. of 1898	3,272,580	3,995,580	4,437,720	6,056,720
Two per cents. of 1900	306,817,400	309,210,600	310,826,100	320,748,000
Total	$318,588,480	$322,941,680	$326,052,770	$338,452,670

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1907, $19,412,950; 5 per cents. of 1894, $2,229,950; 4 per cents. of 1895, $8,607,750; 3 per cents. of 1898, $10,991,320; 2 per cents. of 1900, $90,126,450; District of Columbia 3.65's, 1924, $1,471,000; State and city bonds, $16,377,500; a total of $149,216,920.

Government Revenues and Disbursements.—The report of the Treasurer for October shows an excess of receipts over disbursements of nearly $4,500,000, making a surplus since July 1 of more than $13,500,000. The receipts were $1,500,000 larger than in October, 1901, but the customs receipts alone increased $3,300,000. Disbursements were $6,000,000 larger than they were a year ago.

United States Treasury Receipts and Expenditures.

Receipts.

Source.	*October, 1902.*	*Since July 1, 1902.*
Customs	$26,741,701	$103,980,452
Internal revenue	20,476,913	79,410,114
Miscellaneous	4,172,648	14,492,581
Total	$51,391,262	$197,883,147
Excess of receipts	4,486,297	13,557,178

Expenditures.

Source.	*October, 1902.*	*Since July 1, 1902.*
Civil and mis	$11,314,174	$42,399,261
War	11,169,993	46,846,804
Navy	6,669,018	27,875,356
Indians	1,448,771	5,046,223
Pensions	11,105,955	47,430,086
Interest	5,197,054	15,228,239
Total	$46,904,965	$184,325,969

United States Public Debt.—There was $15,700,000 of the bonded debt of the Government retired last month, but the net debt less cash in the Treasury shows an increase of $1,000,000, the premium paid for the bonds purchased being responsible for the apparent inconsistency. The net cash balance in the Treasury has fallen nearly $15,000,000 and now amounts to $356,421,878 including the $150,000,000 gold reserve. Of this balance $146,885,012 is on deposit in National banks, leaving only about $60,000,000 in excess of the gold reserve actually in the Treasury.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1902.	*Sept. 1, 1902.*	*Oct. 1, 1902.*	*Nov. 1, 1902.*
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent.	$445,940,750	$445,940,750	$445,940,750	$445,940,750
Funded loan of 1907, 4 "	240,063,300	233,177,500	233,177,500	233,178,450
Refunding certificates, 4 per cent.	32,250	31,880	31,880	31,870
Loan of 1904, 5 per cent.	20,060,150	19,410,350	19,410,350	19,385,050
" 1925, 4 "	139,618,600	134,994,200	134,994,200	119,318,950
Ten-Twenties of 1898, 3 per cent.	97,564,160	97,515,660	97,515,660	97,515,660
Total interest-bearing debt	$943,279,210	$931,070,340	$931,070,340	$915,870,230
Debt on which interest has ceased	1,339,790	1,257,490	1,256,860	1,256,820
Debt bearing no interest:				
Legal tender and old demand notes	346,734,863	364,734,863	364,734,863	364,734,863
National bank note redemption acct.	35,003,208	41,646,805	42,733,894	44,695,092
Fractional currency	6,874,492	6,873,328	6,873,328	6,872,594
Total non-interest bearing debt	$388,612,563	$395,254,991	$396,342,081	$398,302,549
Total interest and non-interest debt.	1,333,231,564	1,327,582,822	1,328,669,281	1,314,929,599
Certificates and notes offset by cash in the Treasury:				
Gold certificates	316,785,089	359,390,089	363,311,089	367,078,569
Silver "	456,087,000	458,785,000	465,752,000	467,442,000
Treasury notes of 1890	38,596,000	27,701,000	26,836,000	25,796,000
Total certificates and notes	$811,468,089	$845,876,089	$855,899,089	$860,316,569
Aggregate debt	2,144,699,653	2,173,458,910	2,184,568,370	2,175,246,168
Cash in the Treasury:				
Total cash assets	1,219,631,721	1,290,043,680	1,315,429,548	1,302,695,753
Demand liabilities	898,028,443	930,552,180	944,176,154	946,273,875
Balance	$321,603,278	$359,491,500	$371,253,394	$356,421,878
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	171,603,278	209,491,500	221,253,394	206,421,878
Total	$321,603,278	$359,491,500	$371,253,394	$356,421,878
Total debt, less cash in the Treasury.	1,011,628,286	968,091,322	957,415,887	958,507,721

MONEY IN THE UNITED STATES TREASURY.—While the gross amount of money in the Treasury increased $11,000,000 in October, increased issues of certificates caused a reduction in the net cash of nearly $30,000,000. The Treasury owned $22,500,000 less gold than it did a month ago.

MONEY IN THE UNITED STATES TREASURY.

	Aug. 1, 1902.	*Sept. 1, 1902.*	*Oct. 1, 1902.*	*Nov. 1, 1902.*
Gold coin and bullion	$562,769,024	$571,802,633	$590,506,825	$606,299,127
Silver Dollars	472,170,589	471,870,879	470,713,502	469,250,068
Silver bullion	28,368,763	27,209,244	24,439,639	24,556,601
Subsidiary silver	12,002,930	10,851,174	8,082,371	6,909,608
United States notes	9,252,347	5,539,242	3,750,930	3,041,934
National bank notes	12,937,219	14,725,312	14,610,339	13,468,852
Total	$1,097,500,872	$1,100,997,984	$1,112,103,606	$1,123,526,185
Certificates and Treasury notes, 1890, outstanding	790,845,146	786,624,712	790,695,322	831,674,910
Net cash in Treasury	$306,655,726	$314,373,272	$321,408,284	$291,851,275

SUPPLY OF MONEY IN THE UNITED STATES.—The total stock of money in the

SUPPLY OF MONEY IN THE UNITED STATES.

	Aug. 1, 1902.	*Sept. 1, 1902.*	*Oct. 1, 1902.*	*Nov. 1, 1902.*
Gold coin and bullion	$1,193,925,457	$1,203,511,751	$1,215,234,885	$1,230,672,772
Silver dollars	541,077,054	542,855,054	545,757,221	546,767,221
Silver bullion	28,368,763	27,209,244	24,439,639	24,556,601
Subsidiary silver	96,225,389	97,766,461	97,988,576	98,809,823
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	358,984,184	361,282,691	366,993,598	380,476,334
Total	$2,567,261,863	$2,579,306,217	$2,597,094,935	$2,627,963,267

Certificates and Treasury notes represented by coin, bullion, or currency in Treasury are not included in the above statement.

country was increased nearly $31,000,000 last month, most of which was in gold and National bank notes, about equally divided between the two.

MONEY IN CIRCULATION IN THE UNITED STATES.—There was a most extraordi- increase in the volume of money in circulation last month, the net gain being more than $60,000,000, equal to an increase of seventy-two cents per capita. The largest increase was in gold certificates, $38,000,000, and in National bank notes, $15,000,000.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Aug. 1, 1902.	*Sept. 1, 1902.*	*Oct. 1, 1902.*	*Nov. 1, 1902.*
Gold coin	$631,156,433	$632,209,118	$624,728,060	$624,873,645
Silver dollars	68,906,465	70,984,675	75,043,719	77,517,158
Subsidiary silver	86,222,459	87,415,287	89,906,205	91,899,715
Gold certificates	314,764,019	306,644,939	304,882,054	342,756,194
Silver certificates	447,445,542	452,857,023	459,571,478	463,170,438
Treasury notes, Act July 14, 1890	28,635,585	27,622,750	26,741,790	25,748,278
United States notes	337,428,669	341,141,774	342,980,086	343,639,082
National bank notes	346,046,965	346,557,379	352,383,259	367,007,482
Total	$2,260,606,187	$2,264,932,945	$2,275,686,651	$2,336,111,992
Population of United States	79,230,000	79,344,000	79,458,000	79,572,000
Circulation per capita	$28.53	$28.55	$28.64	$29.36

FOREIGN TRADE.—The exports of merchandise in September were valued at $115,521,984, an increase of $20,500,000 over the amount reported in August and of $8,500,000 compared with September, 1901. The exports were swelled by an exceptional movement of cotton, and with the exception of the year 1900 the total exports in September this year are the largest for that month in any year. The imports of merchandise also show a large increase, and in fact were the largest for any month except April, 1897, when tariff legislation caused a temporary influx of imports. The imports for the month were $87,819,707, an increase of nearly $9,000,000 over August and of $21,000,000 over September last year. The excess of exports over imports was $27,702,277, as compared with more than $40,000,000 in 1901 and $56,-000,000 in 1900. The net exports for the nine months ended September 30 are the smallest for any year since 1897, being $164,000,000 less than in 1901 and $172,000,000 less than in 1900.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF SEPTEMBER.	MERCHANDISE.			*Gold Balance.*	*Silver Balance.*
	Exports.	*Imports.*	*Balance.*		
1897	$104,540,912	$42,429,126	Exp., $62,111,786	Imp., $4,580,259	Exp., $1,497,854
1898	90,645,937	48,456,387	" 42,189,550	" 13,705,531	" 3,151,407
1899	109,886,677	70,711,965	" 39,174,712	" 1,974,899	" 1,245,195
1900	115,901,722	59,568,600	" 56,333,122	" 7,054,981	" 1,551,778
1901	106,989,926	66,826,813	" 40,163,113	" 11,742,069	" 2,639,456
1902	115,521,984	87,819,707	" 27,702,277	" 2,497,864	" 2,238,163
NINE MONTHS.					
1897	746,238,242	588,754,903	Exp., 157,483,339	Exp., 16,074,744	Exp., 18,725,417
1898	869,278,144	475,378,955	" 393,899,189	Imp., 114,561,893	" 18,384,276
1899	902,477,500	585,902,898	" 316,575,102	" 1,390,563	" 16,014,336
1900	1,031,964,238	624,467,433	" 407,496,805	Exp., 12,615,871	" 17,231,461
1901	1,046,319,267	646,477,569	" 399,841,698	Imp., 2,719,413	" 18,996,785
1902	937,451,084	702,233,004	" 235,218,080	Exp., 8,043,064	" 16,878,462

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of October, and the highest and lowest during the year 1902, by dates, and also, for comparison, the range of prices in 1901:

	Year 1901.		Highest and Lowest in 1902.		October, 1902.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	91	42¼	96⅝ - Sept. 9	74¼—Jan. 27	91¾	83⅝	88¾
" preferred	108	70	106⅛—Sept. 2	95½—Jan. 27	102⅜	97¾	100¼
Baltimore & Ohio	114⅛	81¾	118⅛—Sept. 10	101 —Jan. 14	112¼	102	107
Baltimore & Ohio, pref.	97	83⅝	99 —Sept. 19	92½—Sept. 26	95	93⅛	94⅛
Brooklyn Rapid Transit	88⅜	55⅝	72⅜—July 21	60 —Oct. 18	65⅞	60	63¼
Canadian Pacific	117⅛	87	145¼—Sept. 3	112¼—Jan. 28	139½	129½	136⅝
Canada Southern	89	54⅛	97 —May 22	80 —Oct. 18	88	80	85
Central of New Jersey	196⅜	145¾	198 —Jan. 6	170 —Oct. 8	180	170	175½
Ches. & Ohio vtg. ctfs.	52⅝	29	57½—Sept. 3	45 —Feb. 20	54⅝	46¾	51¼
Chicago & Alton	50⅛	27	45⅝—July 16	33⅛—Jan. 14	38⅝	33¾	36⅞
" preferred	82¼	72½	79 —July 17	71¼—Oct. 18	75	71¼	73
Chicago & E. Illinois	140	91	220¾—July 30	134¾—Jan. 6	....	....	....
" preferred	136	120½	151 —July 1	136½—Sept. 13	....	....	....
Chicago, Great Western	27	16	35 —Aug. 20	22⅜—Jan. 25	31¾	28	30⅛
Chic., Indianapolis & Lou'ville	52⅞	23	80 —May 7	49¼—Jan. 14	....	....	....
" preferred	77¾	58¾	91¼—Aug. 19	75 —Jan. 16	....	....	....
Chic., Milwaukee & St. Paul	188	134	198¾—Sept. 20	160½—Jan. 27	196¾	180¼	189⅝
" preferred	200	175	200¾—Sept. 20	186 —Jan. 14	199½	191⅞	195
Chicago & Northwestern	215	168⅛	271 —Apr. 29	204⅛—Jan. 14	237	223	228
" preferred	248	207	274⅛—Apr. 29	230 —Jan. 18	262	255	262
Chicago, Rock I. & Pacific	175¼	117½	206 —Sept. 22	152 —Jan. 15	202½	192	199
Chic., St. Paul, Minn. & Om.	146¾	125	170½—Apr. 30	140 —Feb. 6	163	163	163
" preferred	201	180	210 —Apr. 15	195 —Mar. 6	....	....	....
Chicago Terminal Transfer	31	10⅛	24⅞—Aug. 19	15¼—Feb. 21	22¼	19	20¾
" preferred	57½	33	44 —Sept. 10	30¼—Feb. 20	41	36	37¼
Clev., Cin., Chic. & St. Louis	101	72½	108⅝ - Aug. 8	95⅛—Jan. 14	103¾	98⅛	99⅞
Col. Fuel & Iron Co.	136⅛	41¾	110½—Apr. 24	73¾—Aug. 22	92½	79½	88½
Colorado Southern	18	6⅝	35¾—July 17	14⅛—Jan. 15	34⅛	29⅛	32⅞
" 1st preferred	60	40	79½—Aug. 11	59¼—Jan. 15	74⅞	69	73¼
" 2d preferred	28¾	16½	53⅞—Sept. 2	28 —Jan. 14	51¼	43½	48¼
Consolidated Gas Co.	238	187	230¾—Apr. 25	211¼—Oct. 7	222	211¼	219
Delaware & Hud. Canal Co.	185½	105	184½—Jan. 7	162½—Oct. 18	178	162½	170
Delaware, Lack. & Western	258	188¼	297 —Feb. 4	253 —Jan. 15	275	255	258
Denver & Rio Grande	53⅛	29½	51¾—Aug. 21	40½—Oct. 13	46¼	40½	44¾
" preferred	103¼	80	96¾—Aug. 21	88½—Oct. 13	96	88½	91¼
Erie	45⅛	24½	44⅝—Jan. 2	35⅝—May 19	40⅞	36½	38¼
" 1st pref.	75	59¾	75¾—Jan. 2	65½—Oct. 13	69½	65½	68
" 2d pref.	62¾	39¼	63¾—Jan. 2	49¼—Oct. 13	55⅝	49¼	52
Evansville & Terre Haute	68	41	74⅝—Mar. 7	50 —Mar. 26	62⅝	57	61½
Express Adams	202	145	240 —Oct. 2	198 —July 11	240	230	230
" American	219	170	265 —Aug. 28	210 —Jan. 6	258	240	240
" United States	100	58	160 —Aug. 28	97 —Jan. 2	149⅞	130	142
" Wells, Fargo	199¾	130	251 —Aug. 29	185 —Jan. 24	245	225	225
Great Northern, preferred	208	167½	202¼—Sept. 4	181½—Mar. 5	195	182	189
Hocking Valley	75½	40½	106 —Aug. 8	66 —Jan. 15	98½	90	95
" preferred	88½	69¾	97¼—Aug. 7	81⅛ - Jan. 14	92½	88	91½
Illinois Central	154¾	124	173½—Aug. 27	137 —Jan. 14	155	141	147½
Iowa Central	43¾	21	51¾—Aug. 21	37½—Jan. 15	46¾	40⅝	43¼
" preferred	87½	48	90⅜—Apr. 28	71 —Jan. 14	82¾	72	75¾
Kansas City Southern	25	18½	39 —Aug. 25	19 —Jan. 15	37⅛	32	35⅝
" preferred	49	35	62¾—Apr. 21	44 —Jan. 14	57⅞	53	57
Kans. City Ft. S. & Mem. pref.	81¼	77½	88 —Aug. 1	77⅝—Oct. 13	82	77⅝	80¾
Lake Erie & Western	76½	39¾	71½—Jan. 3	55¼—Oct. 13	60	55¼	59½
" preferred	135½	108⅛	138 —Feb. 6	120 —Oct. 8	125	120	120
Long Island	90	67	91⅞—May 2	77 —Oct. 29	82	77	77
Louisville & Nashville	111¾	76	159½—Aug. 20	102½—Jan. 27	142¼	132	136¾
Manhattan consol	145	83	140⅝—Jan. 9	128 —Mar. 12	138⅞	129⅞	138⅜
Metropolitan Street	177	150	174 - Feb. 5	135 —Oct. 13	142½	135	141½
Mexican Central	30	12¾	31⅛—Mar. 31	24 —Oct. 13	27¼	24	25½
Mexican National	15¼	8⅝	20¾—Mar. 10	14⅛—Jan. 15	....	....	....
Minneapolis & St. Louis	111¼	67¾	115 —Apr. 19	105 —Jan. 27	112½	107	109¾
" preferred	124	101¾	127¼—Apr. 28	118½—Jan. 22	....	....	....
Missouri, Kan. & Tex.	35½	15	35¾—Sept. 10	24 —Mar. 5	31⅛	27¼	29½
" preferred	68⅝	37	69¾—Sept. 10	51 —Jan. 13	63¾	57¼	60⅞

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1901.		Highest and Lowest in 1902.		October, 1902.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Missouri Pacific	124½	69	125½—Sept. 10	96¾—Mar. 11	116⅞	102½	110⅛
N. Y. Cent. & Hudson River	174½	139⅝	168⅞—Jan. 2	149¾—Oct. 13	159	149¾	156
N. Y., Chicago & St. Louis	57⅞	16	57⅝—Aug. 8	44½—Oct. 13	52½	44½	48
" 2d preferred	95	47	100 —Aug. 7	84 —Feb. 4	88⅝	86	86¾
N. Y., Ontario & Western	40½	24	37⅝—Sept. 8	32 —Mar. 11	36⅛	32	33
Norfolk & Western	61⅜	42	78½—Sept. 8	55 —Jan. 14	80¾	69⅝	74⅛
" preferred	92¼	82	93 —July 23	90 —Feb. 21	93	91	93
North American Co.	109	73½	134 —Sept. 3	88 —Jan. 28	128¾	117½	123¾
Pacific Mail	49½	30½	49⅝ Mar. 10	37½—May 17	43	40½	42
Pennsylvania R. R.	161½	137½	170 —Sept. 4	147 —Jan. 14	166½	157⅛	163¾
People's Gas & Coke of Chic.	120½	95¾	109½—Sept. 5	98¼—Jan. 9	105⅞	99½	103½
Pullman Palace Car Co.	225	195½	250 —Apr. 29	215 —Jan. 13	236	230	235
Reading	58	24½	78½—Sept. 3	52¼—Mar. 10	73½	65	66¾
" 1st prefered	82⅞	65	90¼—Sept. 10	79⅞—Mar. 10	88⅞	83½	88
" 2d preferred	64½	38	80⅞—Sept. 11	60 —Jan. 14	80	73¾	77
St. Louis & San Francisco	56½	21½	85½—July 31	53¾—Jan. 2	81	69	80⅞
" 1st preferred	88	75	90 —July 30	82⅞—July 19	84	83	83½
" 2d preferred	76¼	53⅛	80⅝—July 30	70½—May 15	74⅞	71	74⅝
St. Louis & Southwestern	39½	16	39 —Aug. 13	24¾—Mar. 6	34¾	28½	31½
" preferred	71	41½	80 —Sept. 9	55¼—Mar. 5	72¾	59	68¼
Southern Pacific Co.	63⅝	29	81¼—Sept. 10	58 —Jan. 15	76½	67½	71⅝
Southern Railway	35¾	18	41⅜—Aug. 21	31⅞—Jan. 27	39⅝	35½	37
" preferred	94⅝	67¼	98½—Apr. 15	92 —Jan. 14	97⅜	92⅞	94
Tennessee Coal & Iron Co.	76⅝	49⅝	74⅝—Apr. 24	60⅛—Oct. 18	69¼	60⅛	66
Texas & Pacific	52¼	23¼	54¾—Sept. 3	37½—Jan. 15	48½	39½	46⅝
Toledo, St. Louis & Western	25½	10¾	33¼—Oct. 24	18½—Jan. 21	33¼	27	30⅞
" preferred	39½	28	49¾—Sept. 2	35 —Jan. 15	48¾	40	47⅝
Union Pacific	133	76	113¼—Aug. 26	98⅝—Feb. 28	107½	101	104⅞
" preferred	99½	81⅝	95 —Aug. 29	86⅝—Mar. 6	91¾	89¾	91½
Wabash R. R.	26	11½	38¾—Sept. 10	21¾—Jan. 14	35½	30⅝	33¾
" preferred	46⅛	23¾	54½—Sept. 10	41½—Jan. 13	51½	44¾	48½
Western Union	100¼	81	97½—Aug. 26	84¾—July 10	93⅞	89¾	91½
Wheeling & Lake Erie	22	11⅝	30¼—Sept. 9	17 —Jan. 27	28¾	25	26¾
" second preferred	38	24	42⅝—Sept. 10	28 —Jan. 14	41	36½	37½
Wisconsin Central	26	14½	31 —Aug. 20	19½—Jan. 30	29	25¼	27¾
" preferred	48¾	38½	57⅝—Aug. 29	39½ Jan. 24	54½	49	52¼
"INDUSTRIAL"							
Amalgamated Copper	130	60½	79 —Feb. 1	61 —Mar. 25	67¼	62	65
American Car & Foundry	35	19	37⅝—Oct. 8	28¼—Apr. 11	37⅝	33	36
" pref.	89	67	93⅝—Oct. 31	85¼—Jan. 14	93⅝	88⅛	93⅝
American Co. Oil Co.	35½	24	57¾—Apr. 28	30½—Jan. 10	54⅞	48	53¾
American Ice	41⅜	25¾	31⅞—Jan. 2	9½—July 11	11¾	9½	11⅝
American Locomotive	37⅞	22½	36⅞—Apr. 29	26½—Oct. 13	31¾	26½	30½
" preferred	91¼	83⅝	100¼—Apr. 29	89 —Jan. 3	95¼	92¼	94⅜
Am. Smelting & Refining Co.	69	38½	49⅝—May 26	43 —Oct. 18	48½	43	45¾
" preferred	104⅞	88	100⅛—June 23	94 —Oct. 14	96½	94	95½
American Sugar Ref. Co.	153	103⅛	135⅛—Mar. 31	116¼—Jan. 6	127¼	117½	122¾
Anaconda Copper Mining	54¼	28¼	146 —Feb. 1	95 —Oct. 10	104½	95	97
Continental Tobacco Co. pref.	124	93¼	126½—June 3	115 —Jan. 2	124¼	119	120
Distilling Co. of America	10½	6⅞	10 —Feb. 3	4 —Aug. 16	5⅜	4¾	5⅛
" preferred	34½	23¼	42¾—Apr. 4	31¾—Aug. 19	39	34¾	38⅛
General Electric Co.	289¾	183½	334 —Apr. 9	181¾—July 28	189	170	187½
Glucose Sugar Refinding Co.	65	37	51½—Jan. 20	39⅝—Jan. 3	....	....	....
International Paper Co.	28	18½	23⅝—Mar. 20	18 —Oct. 18	21	18	19½
" preferred	81½	69	77⅛—Jan. 6	70½—Oct. 7	74	70½	72½
International Power	100½	54⅞	199 —Apr. 29	55 —June 4	83	64½	76
National Biscuit	46	37	53¼—Mar. 20	43⅝—Jan. 14	47	45½	45½
National Lead Co.	25½	15	32 —Sept. 26	15⅝—Jan. 13	30½	26½	28¾
Pressed Steel Car Co.	52	30	63½—Oct. 3	39 —Jan. 14	63½	56	62¾
Republic Iron & Steel Co.	24	11¾	24¾—Sept. 8	15⅝—Jan. 2	23½	19⅝	22
" preferred	82	55¼	83⅝—Sept. 10	68 —Jan. 16	81	76¼	79
U. S. Leather Co.	16⅝	7¾	15¼—Sept. 22	11⅛—Feb. 20	15¼	13½	14⅛
" preferred	83¾	69½	91¼—Sept. 22	79⅞—Jan. 21	91¼	87⅝	91¼
U. S. Rubber Co.	34	12½	19⅝—Oct. 1	14 —Jan. 2	19⅝	17	18
" preferred	85	47	64 —Mar. 24	50½—Jan. 14	58⅝	54	55
U. S. Steel	55	24	46¾—Jan. 7	36¾—June 19	41⅝	38⅝	40¼
" pref.	101⅞	69	97¾—Jan. 7	87½—June 19	91⅝	87½	88½

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

LAST SALE, PRICE AND DATE AND HIGHEST AND LOWEST PRICES AND TOTAL SALES FOR THE MONTH.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	OCTOBER SALES. High.	OCTOBER SALES. Low.	OCTOBER SALES. Total.
Ann Arbor 1st g 4's	1995	7,000,000	Q J	97	Oct. 13,'02	99	97	19,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	138,117,500	A & O	101⅞	Oct. 31,'02	102¼	100	1,561,000
″ registered			A & O	100	Oct. 10,'02	100	100	6,000
″ adjustment, g. 4's	1995	31,055,000	NOV	96	Oct. 31,'02	96½	95¼	589,000
″ registered			NOV	94½	Apr. 15,'02			
″ stamped	1995	20,673,000	M & N	94¼	Oct. 31,'02	94½	92½	284,000
″ serial debenture 4's—								
″ series A	1903	2,500,000	F & A	97	Aug. 5,'02			
″ registered			F & A					
″ series B	1904	2,500,000	F & A					
″ registered			F & A					
″ series C	1905	2,500,000	F & A					
″ registered			F & A					
″ series D	1906	2,500,000	F & A					
″ registered			F & A					
″ series E	1907	2,500,000	F & A					
″ registered			F & A					
″ series F	1908	2,500,000	F & A					
″ registered			F & A					
″ series G	1909	2,500,000	F & A					
″ registered			F & A					
″ series H	1910	2,500,000	F & A					
″ registered			F & A					
″ series I	1911	2,500,000	F & A					
″ registered			F & A					
″ series J	1912	2,500,000	F & A					
″ registered			F & A					
″ series K	1913	2,500,000	F & A					
″ registered			F & A					
″ series L	1914	2,500,000	F & A	94¾	Oct. 23,'02	94¾	94¾	10,000
″ registered			F & A					
″ Chic. & St. L. 1st 6's	1915	1,500,000	M & S					
Atl. Knox. & Nor. Ry. 1st g. 5s	1946	1,000,000	J & D	114½	Oct. 8,'02	114½	114½	10,000
Balt. & Ohio prior lien g. 3½s	1925	69,798,000	J & J	94¼	Oct. 28,'02	95	93	303,000
″ registered			J & J	97	Apr. 26,'02			
″ g. 4s	1948	65,963,000	A & O	100¾	Oct. 31,'02	102	99⅞	609,500
″ g. 4s. registered			A & O	104	Sept. 16,'02			
″ ten year c. deb. g. 4's	1911	592,000	M & S	111	Oct. 18,'02	111	107	142,000
Pitt Jun. & M. div. 1st g. 3½s	1925	11,293,000	M & N	89	Oct. 24,'02	90	89	54,500
″ registered			QFeb					
Pitt L. E. & West Va. System refunding g 4s	1941	20,000,000	M & N	98¼	Oct. 31,'02	98¼	96	188,000
″ Southw'n div. 1st g. 3½s	1925	41,990,000	J & J	89½	Oct. 31,'02	90	88½	292,500
″ registered			Q J	90¼	July 16,'01			
Monongahela River 1st g. g., 5's	1919	700,000	F & A	114¼	June 27,'02			
Cen. Ohio. Reorg. 1st c. g. 4½'s	1930	1,018,000	M & S	112	Nov. 14,'99			
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,427,000	M & S	116	Oct. 27,'02	116	116	1,000
Alleghany & Wn. 1st g. gtd 4's	1998	2,000,000	A & O					
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	128	June 6,'02			
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	130	May 20,'02			
″ cons. 1st 6's	1922	3,920,000	J & D	125¾	Oct. 27,'02	125¾	125¾	1,000
Buff. & Susq. 1st refundg g. 4's	1951	3,021,000	J & J	103	June 16,'02			
″ registered			J & J					
Burlington, Cedar R. & N. 1st 5's	1906	6,500,000	J & D	104¾	Oct. 28,'02	104¾	104⅜	16,500
″ con. 1st & col. tst 5's	1934	7,803,000	A & O	122	Oct. 31,'02	122	121¾	54,000
″ registered			A & O	124⅝	Feb. 28,'02			
Ced. Rap Ia. Falls & Nor. 1st 5's	1921	1,905,000	A & O	118	Jan. 27,'02			
Minneap's & St. Louis 1st 7's, g	1927	150,000	J & D	140	Aug. 24,'95			

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	Principal Due	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	OCTOBER SALES. High.	OCTOBER SALES. Low.	OCTOBER SALES. Total.
Canada Southern 1st int. gtd 5's	1908	14,000,000	J & J	105⅛	Oct. 31,'02	106	105⅛	55,000
• 2d mortg. 5's	1913	6,000,000	M & S	107	Oct. 27,'02	107	107	8,000
• registered			M & S	107	Aug. 5,'01	....	....	....
Central Branch U. Pac. 1st g. 4's	1948	2,500,000	J & D	94⅜	Sept. 6,'02	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's	1937	4,880,000	M & N	109	Oct. 29,'02	109	108	12,000
Central R'y of Georgia, 1st g. 5's	1945	7,000,000	F & A	121¾	Oct. 9,'02	121¾	121¾	3,000
• registered $1,000 & $5,000			F & A	....	....	....	....	....
• con. g. 5's	1945	16,700,000	M & N	109⅞	Oct. 28,'02	110	106	177,000
• con. g. 5's, reg. $1,000 & $5,000			M & N	105½	Sept. 18,'01	....	....	....
• 1st. pref. inc. g. 5's	1945	4,000,000	OCT 1	78½	Oct. 29,'02	80¾	77	88,000
• 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	40	Oct. 29,'02	43¾	37	544,000
• 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	28	Oct. 31,'02	30¾	25¼	523,000
• Chat. div. pur. my. g. 4's	1951	1,840,000	J & D	92	Aug. 21,'02	....	....	....
• Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	108¼	Sept. 3,'02	....	....	....
• Mid. Ga. & Atl. div. g 5s	1947	418,000	J & J	102	June 29,'99	....	....	....
• Mobile div. 1st g. 5's	1946	1,000,000	J & J	112½	Apr. 30,'02	....	....	....
Central Railroad of New Jersey, 1st convertible 7's	1902	1,167,000	M & N	101¼	May 24,'02	....	....	....
• gen. g. 5's	1987	43,924,000	J & J	136⅝	Oct. 31,'02	136⅝	134	60,000
• registered			Q J	134¾	Oct. 30,'02	135	134¾	31,000
Am. Dock & Improvm't Co. 5's	1921	4,987,000	J & J	114⅛	Oct. 23,'02	114⅛	113¾	5,000
Lehigh & H. R. gen. gtd g. 5's	1920	1,062,000	J & J	....	....	....	....	....
Lehigh & W.-B. Coal con. 5's	1912	2,691,000	Q M	106	Mar. 27,'02	....	....	....
• con. extended gtd. 4½'s	1910	12,175,000	Q M	102	Oct. 14,'02	102	102	14,000
N.Y. & Long Branch gen. g. 4's	1941	1,500,000	M & S	....	....	....	....	....
Charleston & Sav. 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	112	May 27,'02	....	....	....
• Mortgage gold 6's	1911	2,000,000	A & O	114	Sept. 16,'02	....	....	....
• 1st con. g. 5's	1939	25,358,000	M & N	120⅛	Oct. 31,'02	120⅝	119	122,000
• registered			M & N	116	July 16,'01	....	....	....
• Gen. m. g. 4½'s	1992	32,833,000	M & S	104⅛	Oct. 29,'02	106¼	104⅛	175,000
• registered			M & S	108	Apr. 18,'01	....	....	....
• Craig Val. 1st g. 5's	1940	650,000	J & J	113	Oct. 20,'02	113	113	7,000
• (R. & A. d.) 1st c. g. 4's	1989	6,000,000	J & J	108	Oct. 30,'02	108	108	13,000
• 2d con. g. 4's	1989	1,000,000	J & J	99	Oct. 30,'02	99	99	3,000
• Warm S. Val. 1st g. 5's	1941	400,000	M & S	106⅛	Oct. 29,'02	106⅛	106⅛	5,000
Greenbrier Ry. 1st gtd. 4's	1940	2,000,000	M & N	....	....	....	....	....
Chic. & Alton R. R. s. fund g. 6's	1903	1,671,000	M & N	102⅝	July 10,'02	....	....	....
• refunding g. 3's	1949	29,696,000	A & O	82⅛	Oct. 31,'02	83¼	82⅛	77,000
• • registered			A & O	....	....	....	....	....
Chic. & Alton Ry 1st lien g. 3½'s	1950	22,000,000	J & J	81	Oct. 31,'02	81⅛	79	140,000
• registered			J & J	83¾	Apr. 16,'02	....	....	....
Chicago, Burl. & Quincy con. 7's	1903	21,699,000	J & J	103⅝	Oct. 25,'02	106⅝	103¼	31,000
• Chic. & Iowa div. 5's	1905	2,320,000	F & A	104¾	Apr. 11,19'	....	....	....
• Denver div. 4's	1922	5,272,000	F & A	100⅛	Aug. 7,'02	....	....	....
• Illinois div. 3½s	1949	37,096,000	J & J	99¼	Oct. 31,'02	100	98¼	64,000
• registered			J & J	....	....	....	....	....
• (Iowa div.) sink. f'd 5's	1919	2,566,000	A & O	114⅝	Aug. 6,'02	....	....	....
• 4's	1919	8,390,000	A & O	103	Oct. 28,'02	103	103	5,000
• Nebraska extensi'n 4's	1927	25,900,000	M & N	109⅛	Oct. 28,'02	109⅛	108	94,000
• registered			M & N	112¾	Apr. 17,'01	....	....	....
• Southwestern div. 4's	1921	2,850,000	M & S	100	Mar. 20,'02	....	....	....
• 4's joint bonds	1921	215,153,000	J & J	95⅛	Oct. 31,'02	96⅛	94¾	1,902,000
• • registered			Q JAN	94¼	Oct. 2,'02	94¼	94¼	16,000
• 5's, debentures	1913	9,000,000	M & N	108	Sept. 15,'02	....	....	....
Han. & St. Jos. con. 6's	1911	8,000,000	M & S	116	Oct. 16,'02	116	116	3,000
Chicago & E. Ill. 1st s. f'd c'y. 6's	1907	2,989,000	J & D	111⅛	Sept. 15,'02	111¾	111⅛	2,000
• small bonds			J & D	112	Apr. 2,'96	....	....	....
• 1st con. 6's, gold	1934	2,653,000	A & O	139¼	July 31,'02	....	....	....
• gen. con. 1st 5's	1937	13,643,000	M & N	123⅛	Oct. 31,'02	123⅛	123⅛	90,000
• registered			M & N	124¾	Mar. 31,'02	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	123⅛	Oct. 1,'02	123⅛	123⅛	4,000
Chicago, Indianapolis & Louisville.								
• refunding g. 6's	1947	4,700,000	J & J	131	Oct. 30,'02	131	131	18,000
• ref. g. 5's	1947	3,842,000	J & J	117	Sept. 8,'02	....	....	....
Louisv. N. Alb. & Chic. 1st 6's	1910	3,000,000	J & J	115	May 9,'02	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highes and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	Principal Due.	Amount.	Int'st paid.	LAST SALE. Price.	LAST SALE. Date.	OCTOBER SALES. High.	OCTOBER SALES. Low.	OCTOBER SALES. Total.
Chicago, Milwaukee & St. Paul.								
Chicago Mil. & St. Paul con. 7's,	1905	2,606,000	J & J	194⅛	Oct. 21,'02	194⅛	194⅛	11,000
" terminal g. 5's	1914	4,748,000	J & J	113¼	Oct. 29,'02	113¼	113¼	5,000
" gen. g. 4's, series A	1989	23,676,000	J & J	113⅛	Oct. 15,'02	113⅛	113⅛	9,000
" registered		....	Q J	105½	Feb. 19,'98	....	....	....
" gen. g. 3½'s, series B.	1989	2,500,000	J & J	104¾	Jan. 29,'02	....	....	....
" registered			J & J	....	....	....	....	....
" Chic. & Lake Sup. 5's,	1921	1,360,000	J & J	120⅛	Mar. 31,'02	....	....	....
" Chic. & M. R. div. 5's,	1926	3,083,000	J & J	121⅛	Oct. 31,'02	121⅛	121⅛	1,000
" Chic. & Pac. div. 6's,	1910	3,000,000	J & J	116	Oct. 29,'02	116	116	5,000
" 1st Chic. & P. W. g. 5's.	1921	25,340,000	J & J	119⅛	Oct. 29,'02	119⅛	118¼	29,000
" Dakota & Gt. S. g. 5's.	1916	2,856,000	J & J	113¼	Oct. 21,'02	113¼	112½	2,000
" Far. & So. g. 6's assu...	1924	1,250,000	J & J	137½	July 18,'98	....	....	....
" 1st H'st & Dk. div. 7's,	1910	5,680,000	J & J	122	Oct. 1,'02	122	121¾	27,000
" 1st 5's	1910	990,000	J & J	107⅝	Aug. 28,'02	....	....	....
" 1st 7's, Iowa & D, ex,	1908	1,226,000	J & J	191⅛	Oct. 7,'02	191⅛	191	6,000
" 1st 5's, La. C. & Dav...	1919	2,500,000	J & J	116	Sept. 30,'02	....	....	....
" Mineral Point div. 5's,	1910	2,840,000	J & J	109	Oct. 3,'02	109	109	10,000
" 1st So. Min. div. 6's....	1910	7,432,000	J & J	115	Sept. 18,'02	....	....	....
" 1st 6's, Southw'n div.,	1909	4,000,000	J & J	115	Mar. 4,'02	....	....	....
" Wis. & Min. div. g. 5's.	1921	4,755,000	J & J	119	Oct. 10,'02	119	118⅛	5,000
" Mil. & N. 1st M. L. 6's.	1910	2,155,000	J & D	117	Mar. 19,'02	....	....	....
" 1st con. 6's	1913	5,092,000	J & D	120½	Aug. 5,'02	....	....	....
Chic. & Northwestern con. 7's...	1915	12,832,000	Q F	136	Oct. 30,'02	136	136	2,000
" gold 7's	1902	7,293,000	J & D	102⅛	Oct 31,'02	102⅛	102	6,000
" registered gold 7's....	1902		J & D	102	Oct. 14,'02	102	101⅛	40,000
" extension 4's.....	1886–1926	18,632,000	F A 15	107⅜	Oct. 9,'02	107⅜	107⅜	1,000
" registered			F A 15	106⅜	Oct. 9,'02	106⅜	106⅜	1,000
" gen. g. 3½'s	1987	13,082,000	M & N	106⅝	Oct. 24,'02	106⅝	106	11,000
" registered			Q F	103	Nov. 19,'98	....	....	....
" sinking fund 6's..	1879–1929	5,808,000	A & O	115⅛	July 22,'02	....	....	....
" registered			A & O	111	Oct. 18,19'	....	....	....
" sinking fund 5s'..	1879–1929	6,917,000	A & O	106⅛	Oct. 31,'02	106⅛	106⅛	1,000
" registered			A & O	107⅝	May 24,19'	....	....	....
" deben. 5's	1909	5,900,000	M & N	108	Oct. 21,'02	106⅛	108	6,000
" registered			M & N	108	Oct. 3,'01	....	....	....
" deben. 5's	1921	10,000,000	A & O	115	Oct. 7,'02	115	115	2,000
" registered			A & O	114	Oct. 23,'01	....	....	....
" sinking f'd deben. 5's.	1933	9,800,000	M & N	123⅛	June 13,'02	....	....	....
" registered			M & N	123	May 28,'01	....	....	....
Des Moines & Minn. 1st 7's.....	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's...	1905	1,600,000	M & S	118	Jan. 23,'01	....	....	....
Northern Illinois 1st 5's	1910	1,500,000	M & S	108	Oct. 9,'02	108	108	1,000
Ottumwa C. F. & St. P. 1st 5's..	1909	1,600,000	M & S	107	Oct. 28,'01	107	107	1,000
Winona & St. Peters 2d 7's.....	1907	1,592,000	M & N	116⅛	June 10,'02	....	....	....
Mil., L. Shore & We'n 1st g. 6's.	1921	5,000,000	M & N	133	Oct. 23,'02	133	133	1,000
" ext. & impt. s.f'd g. 5's	1929	4,148,000	F & A	123⅛	Oct. 23,'02	123⅛	123⅛	3,000
" Ashland div. 1st g. 6's	1925	1,000,000	M & S	142⅛	Feb. 10,'02	....	....	....
" Michigan div. 1st g. 6's.	1924	1,281,000	J & J	139¾	Jan. 10,'02	....	....	....
" con. deb. 5's	1907	436,000	F & A	107⅛	Feb. 21,'01	....	....	....
" incomes	1911	500,000	M & N	114¼	Sept. 17,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup...	1917	12,500,000	J & J	128⅝	Oct. 30,'02	128⅝	128	2,000
" registered	1917		J & J	129	Oct. 24,'02	129	129	5,000
" gen. g. 4's	1988	59,581,000	J & J	108⅝	Oct. 30,'02	109¼	108	268,000
" registered			J & J	112	Apr. 8,'02	....	....	....
" coll. trust serial 4's								
" series A	1903	1,472,000	M & N	....	....	....	....	....
" B	1904	1,472,000	M & N	....	....	....	....	....
" C	1905	1,472,000	M & N	100¾	July 2,'02	....	....	....
" D	1906	1,472,000	M & N	....	....	....	....	....
" E	1907	1,472,000	M & N	....	....	....	....	....
" F	1908	1,472,000	M & N	....	....	....	....	....
" G	1909	1,472,000	M & N	....	....	....	....	....
" H	1910	1,472,000	M & N	99⅝	June 30,'02	....	....	....
" I	1911	1,472,000	M & N	....	....	....	....	....
" J	1912	1,472,000	M & N	....	....	....	....	....
" K	1913	1,472,000	M & N	....	....	....	....	....
" L	1914	1,472,000	M & N	....	....	....	....	....
" M	1915	1,472,000	M & N	99⅛	July 10,'02	....	....	....
" N	1916	1,472,000	M & N	99⅜	June 28 '02	....	....	....
" O	1917	1,472,000	M & N	....	....	....	....	....
" P	1918	1,472,000	M & N	....	....	....	....	....
Des Moines & Ft. Dodge 1st 4's.	1905	1,200,000	J & J	99⅛	May 20,'01	....	....	....
" 1st 2½'s	1905	1,200,000	J & J	92	Oct. 28,'02	92	92	15,000
" extension 4 s		672,000	J & J	96	Dec. 19,19'	....	....	....
Keokuk & Des M. 1st mor. 5's..	1923	2,750,000	A & O	110⅛	Apr. 4,'02	....	....	....
" small bond	1923	....	A & O	107	Oct. 1,'01	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	OCTOBER SALES. High.	Low.	Total.
Chic., St.P., Minn.& Oma.con.6's.1930	14,504,000	J & D	138¼	Oct. 16,'02	138¼	138⅛	9,000
Chic., St. Paul & Minn. 1st 6's..1918	1,942,000	M & N	138¼	Oct. 2,'02	138¼	138¼	1,000
North Wisconsin 1st mort. 6's..1930	767,000	J & J	137½	Sept.23,'02	....	....	....
St. Paul & Sioux City 1st 6's....1919	6,070,000	A & O	125¼	Oct. 27,'02	125¼	125¼	1,000
Chic., Term. Trans. R. R. g. 4's..1947	18,635,000	J & J	89	Oct. 29,'02	89	87½	9,000
Chic. & Wn. Ind. gen'l g. 6's.......1932	9,868,000	Q M	117	Oct. 30,'02	117	117	7,000
Chic. & West Michigan R'y 5's...1921	5,753,000	J & D	109	Apr. 28,'02	....	....	....
Choc., Oklahoma & Gif.gen.g. 5s.1919	5,500,000	J & J	114½	May 14,'02	....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's.1905	927,000	A & O	111¼	Dec. 9,'01	....	....	....
" 2d g. 4½'s...............1937	2,000,000	J & J	113	Oct. 10,'19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's..1941	3,500,000	M & N	114¾	July 16,'02	....	....	....
Clev., Cin., Chic.& St.L. gen.g. 4's..1993	15,650,000	J & D	101	Oct. 30,'02	102	100	285,000
" do Cairo div. 1st g. 4's..1939	5,000,000	J & J	101⅛	Oct. 8,'02	101⅛	101⅛	5,000
Cin., Wab. & Mich. div. 1st g. 4's.1991	4,000,000	J & J	100	Sept.26,'02	....	....	....
St. Louis div. 1st col. trust g.4's.1990	9,750,000	M & N	103	Oct. 15,'02	103	103	11,000
" registered.................			103	Oct. 10,'02	103	103	1,000
Sp'gfield & Col. div. 1st g. 4's...1940	1,035,000	M & S	100	June14,'01	....	....	....
White W. Val. div. 1st g. 4's.....1940	650,000	J & J	83	Nov.22,'99	....	....	....
Cin., Ind., St. L. & Chic. 1st g.4's.1936	7,685,000	Q F	102⅝	Oct. 29,'02	103	102	15,000
" registered.................			95	Nov.15,'94	....	....	....
" con. 6's.................1920	668,000	M & N	107½	June30,'98	....	....	....
Cin., S'dusky & Clev. con. 1st g.5's 1928	2,571,000	J & J	114½	Sept.19,'01	....	....	....
Clev., C., C. & Ind. con. 7's......1914	3,991,000	J & D	134½	Jan. 7,'02	....	....	....
" sink. fund 7's..........1914		J & D	119⅝	Nov.19,'89	....	....	....
" gen. consol 6's.........1934	3,205,000	J & J	138	May 9,'02	....	....	....
" registered.................		J & J	....	....	....	....	....
Ind. Bloom. & West. 1st pfd 4's.1940	981,500	A & O	104½	Nov.19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's....1938	500,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's...1940	8,103,000	A & O	99¼	Oct. 31,'02	99½	98	242,000
" income 4's.............1990	4,000,000	A	77½	Oct. 29,'02	81	76⅛	907,000
Clev., Lorain & Wheel'g con. 1st 5's 1933	5,000,000	A & O	116¼	Aug.16,'02	....	....	....
Clev., & Mahoning Val. gold 5's..1938	2,936,000	J & J	127½	Jan. 25,'02	....	....	....
" registered..........................		Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 4's..........1947	8,946,000	J & J	82⅞	Oct. 30,'02	83¼	82	42,000
Colorado & Southern 1st g. 4's...1929	18,350,000	F & A	92⅝	Oct. 31,'02	94	91	188,000
Conn., Passumpsic Riv's 1st g.4's.1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's..1907	5,067,000	M & S	115	Oct. 31,'02	115	114¾	2,000
Morris & Essex 1st m 7's........1914	5,000,000	M & N	135¾	Sept.18,'02	....	....	....
" 1st c. gtd 7's...........1915	12,151,000	J & D	137	Sept.26,'02	....	....	....
" registered......................		J & D	140	Oct. 26,'98	....	....	....
" 1st refund.gtd.g.3½'s.2000	7,000,000	J & D	....	....	....	....	....
N. Y., Lack. & West'n. 1st 6's...1921	12,000,000	J & J	133½	Oct. 24,'02	133⅛	132⅞	3,000
" const. 5's...............1923	5,000,000	F & A	115⅛	Aug. 4,'02	....	....	....
" terml. imp. 4's.........1923	5,000,000	M & N	102	June28,'02	....	....	....
Syracuse, Bing. & N. Y. 1st 7's..1906	1,966,000	A & O	112	Oct. 24,'02	113⅜	112	2,000
Warren Rd. 1st rfdg.gtd g.3½'s.2000	905,000	F & A	103½	Oct. 28,'02	103½	103⅛	3,000
Delaware & Hudson Canal.							
" 1st Penn. Div. c. 7's...1917	5,000,000	M & S	143	June 5,'02	....	....	....
" reg.........................1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's.....1906	3,000,000	A & O	113	Aug.18,'02	....	....	....
" registered.................		A & O	122	June 6,'99	....	....	....
" 6's.........................1906	7,000,000	A & O	106	Oct. 7,'02	106	106	1,000
" registered.................		A & O	109½	Nov.16,'01	....	....	....
Rens. & Saratoga 1st c. 7's......1921	2,000,000	M & N	147¼	June 3,'02	....	....	....
" 1st r 7's.................1921		M & N	147½	June18,'01	....	....	....
Denver & Rio G. 1st con. g. 4's...1936	32,050,000	J & J	101	Oct. 31,'02	101¼	99⅛	145,000
" con. g. 4½'s...............1936	6,382,000	J & J	110	Oct. 11,'02	110	110	11,000
" impt. m. g. 5's............1928	8,103,500	J & D	110	Oct. 27,'02	110	110	5,000
Denv. & Southern Ry g. s. fg. 5's.1929	4,923,000	J & D	89	Aug.28,'02	....	....	....
Des Moines Union Ry 1st g. 5's..1917	628,000	M & N	111	Feb. 28,'01	....	....	....
Detroit & Mack. 1st lien g. 4s......1995	900,000	J & D	102½	Oct. 16,'01	102⅛	102⅛	10,000
" g. 4s......................1995	1,250,000	J & D	93½	Aug. 5,'02	....	....	....
Detroit Southern 1st g. 4's.......1951	2,866,000	J & D	86	Oct. 30,'02	86	85¾	12,000
" Ohio South. div. 1st g.4's.1941	4,231,000	M & S	91¾	Oct. 31,'02	91¾	91	29,000
Duluth & Iron Range 1st 5's......1937	6,734,000	A & O	114	Oct. 29,'02	114	114	10,000
" registered..................		A & O	101½	July 23,'89	....	....	....
" 2d 1 m 6s...................1916	2,000,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's..1937	4,000,000	J & J	115	Sept.20,'02	....	....	....
Elgin Joliet & Eastern 1st g 5's..1941	8,352,000	M & N	114	June 5,'02	....	....	....

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE.		OCTOBER SALES.		
				Price.	*Date.*	*High.*	*Low.*	*Total.*
Erie 1st ext. g. 4's	1947	2,482,000	M & N	118	May 14,'02	....	....	....
" 2d extended g. 5's	1919	2,149,000	M & S	119¼	June 6,'02	....	....	....
" 3d extended g. 4½'s	1923	4,618,000	M & S	116⅛	Apr. 16,'02	....	....	....
" 4th extended g. 5's	1920	2,926,000	A & O	117	Oct. 9,'02	117	117	4,000
" 5th extended g. 4's	1928	709,500	J & D	109¼	Jan. 16,'02	....	....	....
" 1st cons gold 7's	1920	16,890,000	M & S	137	Oct. 30,'02	137	137	5,000
" 1st cons. fund g. 7's	1920	3,699,500	M & S	136	Sept.16,'02	....	....	....
Erie R.R. 1st con.g-4s prior bds.	1996	34,000,000	J&J	98	Oct. 30,'02	99¾	97½	172,000
" registered			J&J	98½	July 29,'02	....	....	....
" 1st con. gen. lien g. 4s.	1996	34,885,000	J&J	85¾	Oct. 30,'02	86½	84½	259,000
" registered			J&J	....	....	....	....	....
" Penn. col. trust g. 4's.	1951	32,000,000	F & A	93¾	Oct. 29,'02	94	91	175,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	130	Oct. 17,'02	130	130	1,000
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J	....	....	....	....	....
" small			J&J	....	....	....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	123	Oct. 30,'02	123½	123	17,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	106	Aug. 5,'02	....	....	....
Long Dock consol. g. 6's	1935	7,500,000	A & O	137¼	June23,'02	....	....	....
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	116¾	Sept.24,'02	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	118½	Apr. 23,'02	....	....	....
N. Y. & Greenw'd Lake gt g 5's	1946	1,452,000	M&N	109	Oct. 27,'98	....	....	....
" small								
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	114⅝	Aug.21,'02	....	....	....
N.Y., Sus.&W. 1st refdg. g. 5's	1937	3,750,000	J & J	114½	Oct. 15,'02	114½	114	3,000
" 2d g. 4½'s	1937	453,000	F & A	103	Apr. 1,'02	....	....	....
" gen. g. 5's	1940	2,546,000	F & A	108½	Oct. 27,'02	108½	108	10,000
" term. 1st g. 5's	1943	2,000,000	M & N	110	Oct. 14,02'	110	110	1,000
" registered......$5,000 each			M & N	....	....	....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	114	Oct. 22,'02	114	114	1,000
Evans. & Terre Haute 1st con. 6's.	1921	3,000,000	J & J	121½	July 29,'02	....	....	....
" 1st General g 5's	1942	2,223,000	A & O	110	Aug.20,'02	....	....	....
" Mount Vernon 1st 6's	1923	375,000	A & O	112	June 2,'02	....	....	....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sept.15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	115	May 28,'02	....	....	....
Florida Cen. & Penins. 1st g 5's	1918	3,000,000	J & J	100	Sept. 6,'99	....	...	....
" 1st land grant ex. g 5's	1930	423,000	J & J	....	....	....	....	....
" 1st con. g 5's	1943	4,370,000	J & J	106½	Feb. 26,'02	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s.	1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....
Ft. Worth & D. C. ctfs.dep. 1st 6's	1921	8,176,000	......	114¾	Oct. 29,'02	115	113½	59,000
Ft. Worth & Rio Grande 1st g 5's.	1928	2,863,000	J & J	87	Oct. 30,'02	87¾	87	7,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	103	Sept.25,'02	....	....	....
Geo. & Ala. 1st con. g 5s	1945	2,922,000	J & J	112	Sept.16,'02	....	....	....
Ga. Car. & N. Ry. 1st gtd. g. 5's	1927	5,360,000	J & J	112	Sept.19,'02	....	....	....
Gulf & Ship Isl. 1st refg.&ter.5's	1952	2,931,000	J & J	....	....	....	....	....
" registered			J & J	....	....	....	....	....
Hock. Val. Ry. 1st con. g. 4½'s	1999	11,237,000	J & J	109	Oct. 30,'02	109	107½	62,000
" registered			J & J	....	....	....	....	....
Col. Hock's Val. 1st ext. g. 4's.	1848	1,401,000	A & O	106	Oct. 29,'02	106	106	10,000
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	113¼	Oct. 10,'02	113¼	113¼	4,000
" registered			J&J	113½	Mar. 12,19'	....	....	....
" 1st gold 3½'s	1951	2,499,000	J&J	104½	Mar. 25,'02	....	....	....
" registered			J&J	102½	Apr. 15,'98	....	....	....
" 1st g 3s sterl. £500,000.	1951	2,500,000	M & S	92½	July 13,'96	....	....	....
" registered			M & S	....	....	....	....	....
" total outstg....$13,950,000								
" collat. trust gold 4's	1952	15,000,000	A & O	104⅝	Aug.19,'02	....	....	....
" regist'd			A & O	102	Oct. 4,'01	....	....	....
" col.t.g.4sL.N.O.&Tex.	1953	24,679,000	M & N	104½	Oct. 6,'02	105	104½	8,000
" registered			M & N	104⅝	May 20,'02	....	....	....
" Cairo Bridge g 4's	1950	3,000,000	J & D	....	....	....	....	....
" registered			J & D	123	May 24,'99	....	....	....
" Louisville div.g. 3½'s.	1953	14,320,000	J & J	98½	Oct. 28,'02	98½	98½	25,000
" registered			J & J	88½	Dec. 8,'99	....	....	....
" Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
" St. Louis div. g. 3's	1951	4,939,000	J & J	87½	May 24,'02	....	....	....
" registered			J & J	101¼	Jan. 31,19'	....	....	....
" g. 3½'s	1951	6,321,000	J & J	98¼	Oct. 3,'02	98¼	98¼	1,000
" registered			J & J	101½	Sept. 10,'95	....	....	....
" Sp'gfield div 1stg 3½'s,	1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
" registered			J & J	124	Dec. 11,'99	....	....	....
" West'n Line 1st g. 4's,	1951	5,425,000	F & A	110	Oct. 28,'02	110	110	1,000
" registered			F & A	101½	Jan. 31,19'	....	....	....
Belleville & Carodt 1st 6's	1923	470,000	J & D	124	May 16,'01	....	....	....

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	October Sales. High.	October Sales. Low.	October Sales. Total.
Carbond'e & Shawt'n 1st g. 4's	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,555,000	J D 15	127¼	Aug.22,'02	....	....	....
" gold 5's, registered			J D 15	124	Sept.24,'01	....	....	....
" g. 3½'s	1951	1,352,000	J D 15	104⅝	Apr. 11,'02	....	....	....
" registered			J D 15	106¼	Aug.17,'99	....	....	....
" Memph. div. 1st g. 4's	1951	8,500,000	J & D	106¾	July 12,'02	....	....	....
" registered			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's	1931	538,000	M & S	101	Mar. 3,'02	....	....	....
Ind., Dec. & West. 1st g. 5's	1935	1,824,000	J & J	108	Sept. 9,'02	....	....	....
" 1st gtd. g. 5's	1935	933,000	J & J	105½	Oct. 7,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's	1950	4,850,000	J & J	102¾	Mar. 22,'02	....	....	....
Internat. & Gt. N'n 1st. 6's, gold	1919	9,795,000	M & N	125	Oct. 31,'02	125	124½	27,000
" 2d g. 5's	1909	8,895,000	M & S	100	Oct. 29,'02	100	99¾	12,000
" 3d g. 4's	1921	2,729,000	M & S	71	Oct. 28,'02	71	71	3,000
Iowa Central 1st gold 5's	1938	7,650,000	J & D	118	Oct. 27,'02	118¼	117½	12,000
" refunding g. 4's	1951	2,000,000	M & S	96½	Aug.25,'02	....	....	....
Kansas C. & M. R. & B. Co. 1st gtd g. 5's	1929	3,000,000	A & O	....	....	....	....	....
Kansas City Southern 1st g. 3's	1950	30,000,000	A & O	70	Oct. 31,'02	70	68⅞	318,000
" registered			A & O	63¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	121	Oct. 31,'02	121	120½	13,000
" 2d mtge. g. 5's	1941	3,625,000	J & J	118¼	Oct. 10,'02	118¼	118¼	3,000
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	115	Sept.26,'02	....	....	....
Lehigh Val. (Pa.) coll. g. 5's	1997	8,000,000	M & N	110	Feb. 3,'02	....	....	....
" registered			M & N	....	....	....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s	1940	15,000,000	J&J	109	Oct. 23,'02	109	109	5,000
" registered		....	J&J	109½	June18,'02	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's	1941	10,000,000	A & O	118⅜	June21,'02	....	....	....
" registered			A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's	1933	10,280,000	J & J	108½	Sept. 8,'01	....	....	....
" registered	1933		J & J	....	....	....	....	....
Lehigh & N. Y., 1st gtd g. 4's	1945	2,000,000	M&S	97	July 8,'02	....	....	....
" registered			M&S	....	....	....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....	....	....	....	....
" " g. gtd 5's	1914	1,250,000	A & O	101⅛	Sept. 1,'99	....	....	....
Long Island 1st cons. 5's	1931	3,610,000	Q J	118	Oct. 18,'02	118	117½	9,000
" 1st con. g. 4's	1931	1,121,000	Q J	101	Nov.22,'99	....	....	....
Long Island gen. m. 4's	1938	3,000,000	J & D	103½	Oct. 30,'02	103½	102	25,000
" Ferry 1st g. 4½'s	1922	1,500,000	M & S	103	May 29,'02	....	....	....
" g. 4's	1932	325,000	J & D	102½	May 5,'97	....	....	....
" unified g. 4's	1949	6,360,000	M & S	101	Oct. 14,'02	101	101	6,000
" deb. g. 5's	1934	1,135,000	J & D	111	Jan. 22,'02	....	....	....
Brooklyn & Montauk 1st 6's	1911	250,000	M & S	....	....	....	....	....
" 1st 5's	1911	750,000	M & S	109½	June17,'96	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's	1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's	1927	883,000	M & S	112½	Jan. 10,'02	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's	1932	1,425,000	Q JAN	112½	Apr. 9,'02	....	....	....
Louis. & Nash. gen. g. 6's	1930	8,911,000	J & D	119½	Oct. 17,'02	119½	119	4,000
" gold 5's	1937	1,764,000	M & N	115	Oct. 21,'02	115	115	1,000
" Unified gold 4's	1940	29,276,000	J & J	101½	Oct. 31,'02	101¾	100½	126,000
" registered	1940		J & J	83	Feb. 27,'98	....	....	....
" collateral trust g. 5's	1931	5,129,000	M & N	115¼	Oct. 24,'02	115¼	115¼	2,000
" coll. tr 5-20 g 4's	1903–1918	7,500,000	A & O	99½	Oct. 30,'02	99½	98	16,000
" E., Hend. & N. 1st 6's	1919	1,840,000	J & D	115	May 9,'02	....	....	....
" L. Cin. & Lex. g. 4½'s	1931	3,258,000	M & N	109½	Oct. 27,'98	109½	109½	2,000
" N. O. & Mobile 1st g. 6's	1930	5,000,000	J & J	130¼	Feb. 28,'02	....	....	....
" 2d g. 6's	1930	1,000,000	J & J	124⅝	Apr. 16,'02	....	....	....
" Pensacola div. g. 6's	1920	580,000	M & S	116⅝	Mar. 22,'02	....	....	....
" St. Louis div. 1st g. 6's	1921	3,500,000	M & S	125½	Aug.12,'02	....	....	....
" 2d g. 3's	1980	3,000,000	M & S	75	June20,'02	....	....	....
" H. B'ge 1st sk'fd. g 6's	1931	1,621,000	M & S	....	....	....	....	....
" Ken. Cent. g. 4's	1987	6,742,000	J & J	100	Sept.13,'02	....	....	....
" L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	110½	Mar. 20,'02	....	....	....
" N. Fla. & S. 1st g. g. 5's	1937	2,096,000	F & A	114½	Sept.16,'02	....	....	....
" Pen. & At. 1st g. g. 6's	1921	2,659,000	F & A	114	Sept.22,'02	....	....	....
" S. & N. A. con. gtd. g. 5's	1936	3,673,000	F & A	115	Dec. 5,'01	....	....	....
" So. & N. Ala. si'fd. g. 6s	1910	1,942,000	A & O	112	Sept.29,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's	1945	3,000,000	M & S	100	Mar. 19,'01	....	....	....
Manhattan Railway Con. 4's	1990	28,065,000	A & O	108¼	Oct. 31,'02	104¼	103⅝	319,000
" registered			A & O	105¼	May 7,'01	....	....	....

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N. Y. Cent. & Hud. R. 1st c. 7's..1903	18,327,000	J & J	102⅝	Oct. 31,'02	102⅝	101⅝	4,000
" 1st registered..........1903		J & J	102¼	Oct. 29,'02	102¼	102¼	10,000
" g. mortgage 3½s.......1997	40,426,000	J & J	108¼	Sept.12,'02	....	....	....
" " registered......		J & J	108½	Apr. 2,'02	....	....	....
" debenture 5's.....1884-1904	4,499,000	M & S	103¾	Aug.20,'02	....	....	....
debenture 5's reg..........		M & S	101¼	Oct. 6,'02	101¼	101¼	10,000
" reg. deben. 5's....1889-1904	649,000	M & S	103⅛	Apr.30,'01	....	....	....
" debenture g. 4's..1890-1905	5,097,000	J & D	100¾	Oct. 4,'02	100¾	100¾	3,000
" registered..................		J & D	100¼	Jan. 4,'02	....	....	....
" deb. cert. ext. g. 4's...1905	3,609,000	M & N	100½	June10,'02	....	....	....
" registered..................		M & N	100⅛	Nov.21,'01	....	....	....
Lake Shore col. g. 3½s.........1998	90,578,000	F & A	93¾	Oct. 31,'02	94½	93¼	182,000
" registered..................		F & A	93½	Oct. 29,'02	93½	92½	61,000
Michigan Central col. g. 3½s..1998	19,336,000	F & A	94	Oct. 18,'02	94	94	20,000
" registered..................		F & A	93½	Sept.22,'02	....	....	....
Beech Creek 1st. gtd. 4's........1936	5,000,000	J & J	111¼	Oct. 10,'01	....	....	....
" registered..................		J & J	106	June17,'98	....	....	....
" 2d gtd. g. 5's..........1936	500,000	J & J	....	....	....	....	....
" registered..................	....	J & J	....	....	....	....	....
" ext. 1st. gtd. g. 3½'s..1951	4,500,000	A & O	....	....	....	....	....
" registered..................		A & O	....	....	....	....	....
Carthage & Adiron. 1st gtd g. 4's 1981	1,100,000	J & D	....	....	....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A. 1940	770,000	J & J	95	Apr. 3,'02	....	....	....
" small bonds series B......	33,100	J & J	....	....	....	....	....
Gouv. & Oswega. 1st gtd g. 5's.1942	300,000	J & D	....	....	....	....	....
Mohawk & Malone 1st gtd g. 4's.1991	2,500,000	M & S	107½	July 6,19'	....	....	....
" inc. 5's 1992	3,900,000	Sept.	110¼	Dec. 6,'01	....	....	....
N. Jersey Junc. R. R. g. 1st 4's.1986	1,650,000	F & A	105	Oct. 10,'02	105	105	1,000
" reg. certificates...........		F & A	....	....	....	....	....
N. Y. & Putnam 1st con. gtd g. 4's.1993	4,000,000	A & O	105½	Nov.15,'96	....	....	....
Nor. & Montreal 1st g. gtd 5's..1916	130,000	A & O	....	....	....	....	....
West Shore 1st guaranteed 4's.2361	50,000,000	J & J	113	Oct. 30,'02	114	113	72,000
" registered		J & J	112¾	Oct. 23,'02	113⅜	112⅝	9,000
Lake Shore con. 2d 7's..........1903	6,312,000	J & D	104¼	Sept.18,'02	....	....	....
" con. 2d registered....1903		J & D	105	Oct. 28,'02	105	104	12,000
" g 3½s..................1997	43,820,000	J & D	105½	Oct. 30,'02	106½	105½	7,000
" registered..................		J & D	111	May 2,19'	....	....	....
Detroit, Mon. & Toledo 1st 7's.1906	924,000	F & A	114	Feb. 6,'02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's...1938	840,000	J & J	....	....	....	....	....
Mahoning Coal R. R. 1st 5's ..1934	1,500,000	J & J	127½	Feb. 6,'01	....	....	....
Pitt McK'port & Y. 1st gtd 6's..1932	2,250,000	J & J	146¾	Apr. 12,'01	....	....	....
" 2d gtd 6's...........1934	900,000	J & J	....	....	....	....	....
McKspt & Bell. V. 1st g. 6's.. 1918	600,000	J & J	....	....	....	....	....
Michigan Cent. 6's.............1909	1,500,000	M & S	118⅜	Dec. 4,'01	....	....	....
" 5's......................1931	3,576,000	M & S	128	June21,'02	....	....	....
" 5's reg..................1931		Q M	127	June19,'02	....	....	....
" 4's......................1940	2,600,000	J & J	110	Dec. 7,'01	....	....	....
" 4's reg......................		J & J	106½	Nov.26,19'	....	....	....
" g. 3½'s sec. by 1st mge. on J. L. & S............	2,000,000	M & S	....	....	....	....	....
Battle C. Sturgis 1st g. g. 3's...1989	476,000	J & D	....	....	....	....	....
N. Y. & Harlem 1st mort. 7's c..1900	12,000,000	M & N	102¾	Mar. 13,19'	....	....	....
" 7's registered..........1900		M & N	102¾	Apr. 6,19'	....	....	....
N. Y. & Northern 1st g. 5's.....1927	1,200,000	A & O	121½	May 1,'02	....	....	....
R. W. & Og. con. 1st ext. 5's...1922	2,081,000	A & O	120¼	Oct. 31,'02	120¼	118½	35,000
coup. g. bond currency..........		A & O	....	....	....	....	....
Oswego & Rome 2d gtd gold 5's.1915	400,000	F & A	113¾	Jan. 25,'02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's.1918	375,000	M & N	....	....	....	....	....
Utica & Black River gtd g. 4's..1922	1,800,000	J & J	108	Sept. 9,'02	....	....	....
N. Y., Chic. & St. Louis 1st g. 4's...1937	19,425,000	A & O	105	Oct. 31,'02	105	104½	45,000
" registered..................		A & O	106⅝	Sept.22,'02	....	....	....
N. Y., N. Haven & H. 1st reg. 4's.1903	2,000,000	J & D	100	Dec. 18,'01	....	....	....
" con. deb. receipts.....$1,000	15,007,500	A & O	229½	Sept.12,'02	....	....	....
" small certifs............$100	1,430,000	......	220	July 19,'02	....	....	....
Housatonic R. con. g. 5's.......1937	2,838,000	M & N	135½	Jan. 14,'02	....	....	....
New Haven and Derby con. 5's..1918	575,000	M & N	115½	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's......1905	6,000,000	J & J	114	Jan. 5,19'	....	....	....
" 1st 6's....................1905	4,000,000	J & J	106¼	Mar. 18,'02	....	....	....
N. Y., Ont. & W'n. ref'ding 1st g. 4's.1992	16,937,000	M & S	102¾	Oct. 30,'02	103⅜	101½	117,000
" registered.......$5,000 only.	....	M & S	101½	Nov.30,'98	....	....	....
Norfolk & Southern 1st g. 5's....1941	1,380,000	M & N	116½	Mar. 25,'02	....	....	....
Norfolk & Western gen. mtg. 6's.1931	7,283,000	M & N	133	Aug. 11,'02	....	....	....
" imp'ment and ext. 6's...1934	5,000,000	F & A	132¼	Aug. 14,'02	....	....	....
" New River 1st 6's........1932	2,000,000	A & O	135	July 1,'02	....	....	....

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Norfolk & West. Ry 1st con. g. 4s.	1996		A & O	100¾	Oct. 31,'02	101¼	100⅛	292,500
" registered		33,210,500	A & O	100½	Jan. 13,'02	....	....	....
" small bonds			A & O	....		....	....	....
" Pocahon C.&C.Co.jt.4's.	1941	20,000,000	J & D	93¾	Oct. 31,'02	94	92¾	681,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	107½	July 1,'01	....	....	....
" Sci'o Val & N.E.1st g.4's,	1989	5,000,000	J & N	102	Sept.25,'02	....	....	....
N. P. Ry prior ln ry.&ld.gt.g.4's..	1997	100,209,500	Q J	103½	Oct. 31,'02	103½	103	368,000
" registered			Q J	102	Oct. 20,'02	102	102	16,000
" gen. lien g. 3's	2047	56,000,000	Q F	74½	Oct. 31,'02	74½	72½	486,000
" registered			Q F	72	Apr. 11,'02	....	....	....
St. Paul & Duluth div. g. 4's...	1996	9,215,000	J & D	102½	May 20,'02	....	....	....
" registered			J & D	....		....	....	....
St. Paul & N. Pacific gen g. 6's.	1923	7,985,000	F & A	127¾	Oct. 21,'02	127¾	127¾	1,000
" registered certificates....			Q F	132	July 28,'98	....	....	....
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	122	Apr. 15, 02	....	....	....
" 2d 5's	1917	2,000,000	A & O	110	Oct. 6,'02	110	110	13,000
" 1st con. g. 4's	1968	1,000,000	J & D	100	Aug.21,'02	....	....	....
Washington Cen. Ry 1st g. 4's..	1948	1,538,000	QMCH	94½	Feb. 19,'01	....	....	....
Nor. Pacific Term. Co. 1st g. 6's..	1933	3,717,000	J & J	117½	Oct. 7,'02	117½	117½	5,000
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	112½	June 3,'01	....	....	....
" gen. mortg. g 6's	1937	2,428,000	A & O	108½	July 9,02'	....	....	....
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	113	Oct. 22,'02	114	112	13,000
Panama 1st sink fund g. 4½'s....	1917	2,386,000	A & O	101	Oct. 7,'02	101	101	1,000
" s. f. subsidy g 6's	1910	1,202,000	M & N	102	Apr. 14,'02	....	....	....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	110¼	Oct. 28,'02	110½	109½	17,000
" reg	1921		J & J	110⅜	July 8,'02	....	....	....
" gtd.3½ coi.tr.reg. cts..	1937	5,000,000	M & S	114½	Feb. 15,'99	....	....	....
" gtd.3½ col.tr.cts.serB	1941	10,000,000	F & A	98	Oct. 16,'02	98	98	4,000
" Trust Co. ctfs. g. 3½'s.	1916	20,000,000	M & N	97½	May 12.'02	....	....	....
Chic., St. Louis & P. 1st c. 5's..	1932	1,506,000	A & O	123	July 2,'02	....	....	....
" registered		...	A & O	110	May 3,'92	....	....	....
Clev.&P.gen.gtd.g.4½'s Ser. A.	1942	3,000,000	J & J	121	Oct. 22,19'	....	....	....
" Series B	1942	1,561,000	A & O	....		....	....	....
" " int. reduc. 3½ p.c.		439,000	......	....		....	....	....
" Series C 3½s	1948	3,000,000	M & N	....		....	....	....
" Series D 3½s	1950	1,933,000	F & A	....		....	....	....
E.&Pitts. gen.gtd.g.3½s Ser. B..	1940	2,250,000	J & J	102	Nov. 7,19'	....	....	....
" " " C..	1940	1,508,000	J & J	....		....	....	....
Newp. & Cin. Bge Co. gtd g. 4's..	1945	1,400,000	J & J	....		....	....	....
Pitts., C. C. & St. L. con. g 4½'s..								
" Series A	1940	10,000,000	A & O	115⅛	June17,'02	....	....	....
" Series B gtd	1942	8,786,000	A & O	112	Oct. 9,'02	112	112	5,000
" Series C gtd	1942	1,379,000	M & N	116½	Feb. 14,'01	....	....	....
" Series D gtd. 4's	1945	4,983,000	M & N	106¾	Nov. 4,'01	....	....	....
" Series E gtd. g. 3½s...	1949	10,840,000	F & A	97½	June13,'02	....	....	....
Pitts., Ft. Wayne & C. 1st 7's..	1912	2,407,000	J & J	127⅝	Oct. 21,'02	127⅝	127⅝	1,000
" 2d 7's	1912	2,047,500	J & J	127¾	Oct. 17,'02	127¾	127¾	2,000
" 3d 7's	1912	2,000,000	A & O	130	Apr. 11,'01	....	....	....
Penn. RR. Co. 1st Rl Est. g 4's...	1923	1,675,000	M & N	110½	Mar. 8,'02	....	....	....
con. sterling gold 6 per cent...	1905	22,762,000	J & J	....		....	....	....
con. currency, 6's registered...	1905	4,718,000	Q M 15	....		....	....	....
con. gold 5 per cent	1919	4,998,000	M & S	....		....	....	....
" registered			Q M	....		....	....	....
con. gold 4 per cent	1943	3,000,000	M & N	....		....	....	....
Allegh. Valley gen. gtd. g. 4's...	1942	5,389,000	M & S	110	Aug.28,19'	....	....	....
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	112¾	Mar. 7,19'	....	....	....
Del.R. RR.& BgeCo 1stgtdg.4's,	1936	1,300,000	F & A	....		....	....	....
G.R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	111	Sept.19,'02	....	....	....
Sunbury & Lewistown 1st g.4's.	1936	500,000	J & J	....		....	....	....
U'd N. J. RR. & Can Co. g 4's...	1944	5,646,000	M & S	117	May 1,19'	....	....	....
Peoria & Pekin Union 1st 6's....	1921	1,495,000	Q F	130¼	Feb. 10,'02	....	....	....
" 2d m 4½'s	1921	1,499,000	M & N	101	Oct. 31,19'	....	....	....
Pere Marquette.								
Flint & Pere Marquette g. 6's..	1920	3,999,000	A & O	121⅝	Oct. 29,'02	122½	121⅝	8,000
" 1st con. gold 5's	1939	2,850,000	M & N	112½	Aug.28,'02	....	....	....
" Port Huron d 1st g 5's.	1939	3,325,000	A & O	111¼	Oct. 31,'02	111½	111¼	6,000
Sag'w Tusc. & Hur.1st gtd.g.4's.	1931	1,000,000	F & A	....		....	....	....
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93	....	....	....
Pittsburg, Clev. & Toledo 1st 6's.	1922	2,400,000	A & O	107½	Oct. 26,'93	....	....	....

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Pittsburg, Junction 1st 6's.......1922	478,000	J & J	120	Oct. 11,'01			
Pittsburg & L. E. 2d g. 5's ser. A, 1928	2,000,000	A & O	112	Mar. 25,'98			
Pitts., Shena'go & L. E. 1st g. 5's, 1940	3,000,000	A & O	121	May 2,'02			
" 1st cons. 5's..............1943	408,000	J & J	87¾	Jan. 12,19'			
Pittsburg & West'n 1st gold 4's, 1917	1,589,000	J & J	102⅛	Oct. 15,'02	102⅛	102⅛	1,000
" J. P. M. & Co., ctfs., ...	8,111,000	......	100	Oct. 28,'02	100	100	1,000
Pittsburg, Y & Ash. 1st cons. 5's, 1927	1,562,000	M & N	111	June 3,'02			
Reading Co. gen. g. 4's...........1997	64,695,000	J & J	97⅞	Oct. 31,'02	98¼	96	1,611,000
" registered..................		J & J	92	Apr. 16,19'			
" Jersey Cent. col. g. 4's..1957	23,000,000	......	93½	Oct. 30,'02	94	93	53,000
" " registered.....							
Rio Grande West'n 1st g. 4's.....1939	15,200,000	J & J	100¼	Oct. 31,'02	100¼	99	26,000
" mge & col. tr. g. 4's ser. A. 1949	10,000,000	A & O	94¼	Sept. 10,'02			
" Utah Cen. 1st gtd. g. 4's. 1917	550,000	A & O	97	Jan. 3,02'			
Rio Grande Junc'n 1st gtd. g. 5's, 1939	1,850,000	J & D	114	May 13,'02			
Rio Grande Southern 1st g. 4's..1940	2,233,000	J & J	80½	July 3,'02			
" guaranteed..............	2,277,000	......	92¾	Aug. 29,'02			
Rutland RR 1st con. g. 4½ s....1941	2,440,000	J & J					
Ogdnsb. & L. Ch'n. Ry. 1st gtd g4s1948	4,400,000	J & J					
Rutland Canadian 1st gtd. g. 4's. 1949	1,350,000	J & J	101¼	Nov. 18,'01			
Salt Lake City 1st g. sink fu'd 6's, 1913	297,000	J & J					
St. Jo. & Gr. Isl. 1st g. 2.342.......1947	3,500,000	J & J	97	Oct. 7,'02	97	97	15,000
St. L. & Adirondack Ry. 1st g. 5's. 1996	800,000	J & J					
" 2d g. 6's...............1996	400,000	A & O					
St. Louis & San F. 2d 6's, Class B, 1906	999,000	M & N	108	Oct. 23,'02	108	108	19,500
" 2d g. 6's, Class C......1906	830,000	M & N	108¼	Aug. 14,'02			
" gen. g. 6's............1931	3,715,000	J & J	130¼	Oct. 28,'02	131½	130¼	8,000
" gen. g. 5's............1931	5,817,000	J & J	115	Oct. 22,'02	115	114	19,000
St. L & San F. R. R. con. g. 4's. 1996	1,595,000	J & D	101	Sept. 10,'02			
" S. W. div. g. 5's........1947	830,000	A & O	100	Jan. 3,'02			
" refunding g. 4's.......1951	40,514,000	J & J	95	Oct. 29,'02	95	93½	39,000
" " registered...		J & J					
Kan. Cy Ft. S. & Mem RR con g 6's 1928	13,736,000	M & N	125⅛	June 16,'01			
Kan. Cy Ft. S & M Ry ref g gtd g 4s. 1936	12,055,000	A & O	88½	Oct. 30,'02	89	87½	205,000
" registered.........		A & O					
St. Louis S. W. 1st g. 4's Bd. ctfs., 1989	20,000,000	M & N	99⅝	Oct. 31,'02	99⅞	98	175,000
" 2d g. 4's inc. Bd. ctfs....1989	3,272,500	J & J	87	Oct. 23,'02	88½	87	10,000
" Trust Co. certifs............	6,727,500	......	81⅝	June 30,'02			
" con. g. 4's.... 1932	12,054,000	J & D	88⅞	Oct. 20,'02	88⅞	88⅞	1,000
Gray's Point, Term. 1st gtd. g. 5's. 1947	339,000	J & D					
St. Paul, Minn. & Manito'a 2d 6's..1909	7,503,000	A & O	112	Oct. 8,'02	112	112	6,000
" 1st con. 6's............1933	13,344,000	J & J	136¾	Oct. 24,'02	136¾	136¾	2,000
" 1st con. 6's, registered....		J & J	140	May 14,'02			
" 1st c. 6's, red'd to g. 4½'s...	20,176,000	J & J	112½	Oct. 30,'02	112½	112½	25,000
" 1st cons. 6's register'd....		J & J	115¼	Apr. 15,'01			
" Dakota ext'n g. 6's...1910	5,576,000	M & N	115¾	Oct. 9,'02	115¾	115¾	5,000
" Mont. ext'n 1st g. 4's..1937	10,185,000	J & D	104½	Oct. 29,'02	106	104	9,000
" registered..................		J & D	106	May 6,'01			
Eastern R'y Minn, 1st d. 1st g. 5's..1908	4,700,000	A & O	107½	Sept. 26,'02			
" registered..................		A & O					
" Minn. N. div. 1st g. 4's..1940	5,000,000	A & O					
" registered..................		A & O					
Minneapolis Union 1st g. 6's....1922	2,150,000	J & J	128	Apr. 4,19'			
Montana Cent. 1st 6's int. gtd..1937	6,000,000	J & J	133½	Sept. 27,'02			
" 1st 6's, registered.........		J & J	115	Apr. 24,'97			
" 1st g. g. 5's............ 1937	4,000,000	J & J	124½	June 12,'02			
" registered..................		J & J					
Willmar & Sioux Falls 1st g. 5's, 1938	3,625,000	J & D	125⅛	Feb. 17,'02			
" registered.................		J & D					
San Fe Pres. & Phoe. Ry. 1st g. 5's, 1942	4,940,000	M & S	111	Aug. 15,'01			
San Fran. & N. Pac. 1st s. f. g. 5's, 1919	3,872,000	J & J	113¾	Dec. 11,'01			
Sav. Florida & Wn. 1st c. g. 6's...1934	4,056,000	A & O	128	Oct. 28,'02	128	128	1,000
" 1st g. 5's...............1934	2,444,000	A & O	112	Mar. 17,'99			
" St. John's div. 1st g. 4's. 1934	1,350,000	J & J	95¼	Nov. 30,'01			
Alabama Midland 1st gtd. g. 5s. 1928	2,800,000	M & N	110	May 28,'02			
Brunsw. & West. 1st gtd. g. 4's .1938	3,000,000	J & J	87	Aug. 22,'01			
Sil. S. Oc. & G. R. R. & lg. gtd. g. 4's. 1918	1,107,000	J & J	96	Oct. 24,'02	96	96	20,000
Seaboard Air Line Ry g. 4's......1950	12,775,000	A & O	85	Oct. 29,'02	86½	84	137,000
" registered..................		A & O					
" col. trust refdg g. 5's..1911	8,716,000	M & N	104½	Oct. 30,'02	104½	103	166,000

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Seaboard & Roanoke 1st 5's	1926	2,500,000	J & J	104¾	Feb. 5,'98	....	....	....
Carolina Central 1st con. g. 4's	1949	2,847,000	J & J	97	Oct. 10,'02	97	97	10,000
Sodus Bay & Sout'n 1st 5's, gold	1924	500,000	J & J	100	Dec. 4,'01	....	....	....
Southern Pacific Co.								
• 2-5 year col. trust g. 4½'s	1905	15,000,000	J & D	100⅛	Oct. 28,'02	100⅛	99¼	148,000
• g. 4's Central Pac. coll.	1949	28,818,500	J & D	94¼	Oct. 29,'02	94⅝	93	471,000
• • registered			J & D	95	Apr. 10,'02	....	....	....
Austin & Northw'n 1st g. 5's	1941	1,920,000	J & J	111	June 26,'01	....	....	....
Cent. Pac. 1st refud. gtd. g. 4's	1949	58,041,000	F & A	101	Oct. 31,'02	101	100	114,000
• registered			F & A	99⅞	June 1,19'	....	....	....
• mtge. gtd. g. 3½'s	1929	19,027,500	J & D	87⅛	Oct. 31,'02	88	85⅝	155,000
• • registered			J & D	....	....	....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's	1910	4,756,000	F & A	110⅛	Oct. 20,'02	111	110⅛	21,000
• 2d g 7's	1905	1,000,000	J & D	108	Mar. 26,'02	....	....	....
• Mex. & P. div 1st g 5's	1931	13,418,000	M & N	110¼	Apr. 28,'02	....	....	....
Gila Val. G. & N'n 1st gtd g 5's	1924	1,514,000	M & N	112	Oct. 20,'02	112	108	4,000
Houst. E. & W. Tex. 1st g. 5's	1933	501,000	M & N	103	Aug. 18,'02	....	....	....
• 1st gtd. g. 5's	1933	2,199,000	M & N	104½	July 13,19'	....	....	....
Houst. & T.C. 1st g 5's int. gtd.	1937	5,960,000	J & J	111	Oct. 28,'02	111¾	111	47,000
• con. g 6's int. gtd.	1912	2,911,000	A & O	111½	Oct. 28,'02	111½	110⅝	39,000
• gen. g 4's int. gtd.	1921	4,287,000	A & O	93	Oct. 31,'02	93	90½	5,000
• W&Nwn. div. 1st. g. 6's	1930	1,105,000	M & N	127½	Feb. 27,'02	....	....	....
Morgan's La & Tex. 1st g 6's	1920	1,494,000	J & J	122	Sept. 15,'02	....	....	....
• 1st 7's	1918	5,000,000	A & O	134½	July 28,'02	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's	1912	1,465,000	A & O	....	....	....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's	1907	3,964,000	J & J	94	Nov. 30,'97	....	....	....
• gtd. g. 5's		4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's	1927	19,357,000	J & J	105½	Nov. 7,'01	....	....	....
San Ant. & Aran Pass 1st gtd g 4's	1943	18,900,000	J & J	87⅝	Oct. 31,'02	89	86	174,000
South'n Pac. of Ariz. 1st 6's	1909	6,000,000	J & J	112¾	Apr. 18,'02	....	....	....
• • •	1910	4,000,000	J & J	112½	Aug. 7,'02	....	....	....
• of Cal. 1st g 6's ser. A.	1905	29,756,500	A & O	105½	June 6,'02	....	....	....
• • • ser. B.	1905		A & O	108	Dec. 23,'01	....	....	....
• • • C. & D.	1906		A & O	110⅝	Jan. 14,'02	....	....	....
• • • E. & F.	1902		A & O	114½	Nov. 3,'99	....	....	....
• • •	1912	....	A & O	119½	June 13,'01	....	....	....
• 1st con. gtd. g 5's	1937	6,809,000	M & N	107	Nov. 27,19'	....	....	....
• stamped	1905-1937	20,420,000	......	110¼	Sept. 25,'02	....	....	....
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J	....	....	....	....	....
• of N. Mex. c. 1st 6's	1911	4,180,000	J & J	116¼	Apr. 23,'00	....	....	....
Tex. & New Orleans 1st 7's	1905	915,000	F & A	108	May 20,'02	....	....	....
• Sabine div. 1st g 6's	1912	2,575,000	M & S	111½	Oct. 30,'02	111½	111½	1,000
• con. g 5's	1943	1,620,000	J & J	108½	July 29,'01	....	....	....
Southern Railway 1st con. g 5's	1994	35,304,000	J & J	118¾	Oct. 31,'02	120	118	192,000
• registered			J & J	122	Jan. 2,'02	....	....	....
Mob. & Ohio collat. trust g. 4's	1938	7,855,000	M & S	95¼	Oct. 29,'02	96	95¼	8,000
• registered			M & S	....	....	....	....	....
• Memph. div. 1st g. 4-4½-5's	1996	5,083,000	J & J	115	Mar. 18,'02	....	....	....
• registered			J & J	....	....	....	....	....
• St. Louis div. 1st g. 4's	1951	11,250,000	J & J	99⅝	Oct. 31,'02	100	99	82,000
• • registered			J & J	....	....	....	....	....
Alabama Central, 1st 6's	1918	1,000,000	J & J	120	Mar. 25,'01	....	....	....
Atlantic & Danville 1st g. 4's	1948	3,925,000	J & J	96	Sept. 17,'02	....	....	....
Atlantic & Yadkin, 1st gtd g 4s	1949	1,500,000	A & O	....	....	....	....	....
Col. & Greenville, 1st 5-6's	1916	2,000,000	J & J	120	Sept. 10,'02	....	....	....
East Tenn., Va. & Ga. div. g. 5's	1930	3,106,000	J & J	116¾	Aug. 4,'02	....	....	....
• con. 1st g 5's	1956	12,770,000	M & N	121½	Oct. 21,'02	121½	121	17,000
• reorg. lien g 4's	1938	4,500,000	M & S	114	Sept. 29,'02	....	....	....
• registered			M & S	....	....	....	....	....
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	126¼	Sept. 18,'02	....	....	....
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	126¾	Oct. 28,'02	126¾	126¾	15,000
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	122	Oct. 3,'02	122	122	1,000
• equip. sink. f'd g 5's	1909	818,000	M & S	101¼	July 20,19'	....	....	....
• deb. 5's stamped	1927	3,368,000	A & O	111¼	May 1,'02	....	....	....
Rich. & Mecklenburg 1st g. 4's	1948	315,000	M & N	92	Sept. 9,'02	....	....	....
South Caro'a & Ga. 1st g. 5's	1919	5,250,000	M & S	109½	Oct. 8,'02	109½	109½	3,000
Vir. Midland serial ser. A 6's	1906	600,000	M & S	....	....	....	....	....
• small			M & S	....	....	....	....	....
• ser. B 6's	1911	1,900,000	M & S	....	....	....	....	....
• small			M & S	....	....	....	....	....
• ser. C 6's	1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
• small			M & S	....	....	....	....	....
• ser. D 4-5's	1921	950,000	M & S	102	Oct. 18,'99	....	....	....
• small			M & S	....	....	....	....	....
• ser. E 5's	1926	1,775,000	M & S	114	Sept. 10,'01	....	....	....
• small			M & S	....	....	....	....	....
• ser. F 5's	1931	1,310,000	M & S	114	Sept. 9,'02	....	....	....

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Virginia Midland gen. 5's......1936	2,392,000	M & N	117	Oct. 20,'02	117	116⅛	14,000
" gen.5's. gtd. stamped.1926	2,466,000	M & N	116⅛	Dec. 30,'01	....	....	....
W. O. & W. 1st cy. gtd. 4's.....1924	1,025,000	F & A	98	Apr. 22,'02	....	....	....
W. Nor. C. 1st con. g 6's........1914	2,531,000	J & J	118⅛	Oct. 29,'02	118⅛	118⅛	9,000
Spokane Falls & North.1st g.6's..1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl.Ry.N.Y.1stgtd.g.4½'s.1943	500,000	J & D	104½	Sept. 2,'02	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s.1939	7,000,000	A & O	111	Oct. 24,'02	111	111	2,000
" 1st con. g. 5's.....1894-1944	4,500,000	F & A	118⅛	Oct. 31,'02	118⅛	118	22,000
St. L. Mers. bdg. Ter. gtd g. 5's.1930	3,500,000	A & O	115⅛	May 15,'02	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th 1905	3,055,000	M & S	101¾	Sept.25,19'	....	....	....
" 1st gold 5's..............2000	21,986,000	J & D	120¾	Oct. 30,'02	121	119	91,000
" 2d gold income, 5's......2000	963,000	MAR.	99¼	Oct. 22,'02	99¼	99¼	10,000
" La. Div.B.L. 1st g.5's...1931	2,661,000	J & J	111	June18,'01	....	....	....
Toledo & Ohio Cent. 1st g 5's....1935	3,000,000	J & J	114	Oct. 27,'02	114	114	3,000
" 1st M. g 5's West. div...1935	2,500,000	A & O	112½	Nov.18,'01	....	....	....
" gen. g. 5's.... 1935	2,000,000	J & D	109	Sept.29,'02	....	....	....
" Kanaw & M. 1st g. g. 4's.1990	2,469,000	A & O	98½	Sept.27,'02	...	....	....
Toledo Peoria & W. 1st g 4's....1917	4,800,000	J & D	92	Aug.13,'02	....	....	....
Tol., St.L.&Wn. prior lien g 3½'s.1925	9,000,000	J & J	88½	Oct. 28,'02	90¼	88½	2,000
" registered..................		J & J	....		....	....	....
" fifty years g. 4's........1925	6,500,000	A & O	80	Oct. 31,'02	81	78	204,000
" registered..................		A & O	....		...	....	....
Toronto,Hamilton &Buff 1st g 4s.1946	3,280,000	J & D	98½	Aug.14,'02	....	....	....
Ulster & Delaware 1st c. g 5's....1925	1,852,000	J & D	112½	Aug.21,'02	....	....	....
Union Pacific R. R. & ld gt g 4s...1947	100,000,000	J & J	104⅞	Oct. 31,'02	105	103¼	714,500
" registered.................		J & J	105¼	Sept.16,'02	....	....	....
" 1st lien con. g. 4's......1911	87,259,000	M & N	109⅝	Oct. 31,'02	110¼	106¾	15,567,000
" registered................		M & N	106	Apr. 14,'02	....	....	....
Oreg. R. R. & Nav.Co.con. g 4's.1946	21,482,000	J & D	103	Oct. 31,'02	103	101⅛	112,000
Oreg. Short Line Ry. 1st g. 6's.1922	13,651,000	F & A	126	Oct. 29,'02	126	125	7,000
" 1st con. g. 5's.1946..........	12,328,000	J & J	115¾	Oct. 31,'02	116	115	35,500
" 4's&participat'g g.bds.1927	31,000,000	F & A	93¾	Oct. 31,'02	94⅛	92	5,256,000
" registered................		F & A	....		....	....	....
Utah & Northern 1st 7's........1908	4,993,000	J & J	117½	June20,'01	....	....	....
" g. 5's 1926	1,877,000	J & J	114½	Apr. 19,'02	....	....	....
Wabash R.R. Co., 1st gold 5's....1939	31,664,000	M & N	120⅛	Oct. 31,'02	120¼	119	55,000
" 2d mortgage gold 5's...1939	14,000,000	F & A	109	Oct. 30,'02	110	109	67,000
" deben. mtg series A...1939	3,500,000	J & J	104	Oct. 30,'02	104	104	10,000
" series B.................1939	26,500,000	J & J	80¾	Oct. 31,'02	84⅛	76	5,795,000
" first lien eqpt. fd.g. 5's.1921	3,000,000	M & S	107	Aug.19,'02	....	....	....
" 1st g.5's Det.& Chi.ex..1940	3,411,000	J & J	110½	Oct. 27,'02	110½	110½	6,000
" Des Moines div.1st g.4s.1939	1,600,000	J & J	97	May 12,'02	....	....	....
" Omaha div. 1st g. 3½s..1941	3,500,000	A & O	85¾	Oct. 13,'02	85¾	85¾	24,000
" Tol. &Chic.div.1stg.4's.1941	3,000,000	M & S	98	Mar. 17,'02	....	....	....
St.L., K.C.& N.St.Chas.B.1st6's1908	1,000,000	A & O	111	Sept.11,'02	....	....	....
Western N.Y. & Penn. 1st g. 5's..1937	10,000,000	J & J	119¾	Oct. 2,'02	119¾	119	11,000
" gen g. 3-4's...............1943	9,789,000	A & O	99⅞	Oct. 9,'02	100	99⅞	15,000
" inc. 5's..... 1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va.Cent'l & Pitts.1st g. 6's.1911	3,250,000	J & J	114½	Jan. 20,'02	....	....	....
Wheeling & Lake Erie 1st g. 5's.1926	2,000,000	A & O	113	Apr. 28,'02	....	....	....
" Wheeling div. 1st g. 5's.1928	894,000	J & J	113	Sept. 9,'02	....	....	....
" exten. and imp. g. 5's...1930	343,000	F & A	111⅜	Oct. 23,'02	111⅜	111⅜	7,000
Wheel. & L. E. RR. 1st con. g. 4's..1949	11,130,000	M & S	92¾	Oct. 31,'02	93⅛	91¼	108,000
Wisconsin Cen. R'y 1st gen. g. 4s.1949	24,635,000	J & J	92⅛	Oct. 31,'02	93	91	358,000
STREET RAILWAY BONDS.							
Brooklyn Rapid Transit g. 5's...1945	6,625,000	A & O	102¼	Oct. 25,'02	105	102	11,000
" Atl. av.Bkn .imp. g.5's.1934	1,500,000	J & J	110	Jan. 20,'99	....	....	....
" City R. R. 1st c. 5's 1916.1941	4,373,000	J & J	114	May 28,'02	....	....	....
" Qu. Co. & Sur. con. gtd. g. 5's..................1941	2,255,000	M & N	103	Sept.17,'02	....	....	....
" Union Elev. 1st. g. 4-5s.1950	16,000,000	F & A	101½	Oct. 30,'02	102¼	101	243,000
" stamped guaranteed......		......	101¼	July 24,'02	....	....	....
Kings Co. Elev. R. R. 1st g. 4's.1949	7,000,000	F & A	87	Oct. 31,'02	87⅞	86¼	95,000
" stamped guaranteed		......	....		....	....	....
Nassau Electric R. R. gtd. g. 4's.1951	10,474,000	J & J	....		....	....	....
City & Sub. R'y, Balt. 1st g. 5's...1922	2,430,000	J & D	105⅝	Apr. 17,'95	....	....	....
Conn.Ry.& Lightg 1st&rfg.g4½'s.1951	8,355,000	J & J	99⅞	Oct. 30,'02	99⅞	99⅞	3,000
Denver Con. T'way Co. 1st g. 5's.1933	730,000	A & O	97½	June13,19'	....	....	....
Denver T'way Co. con. g. 6's....1910	1,219,000	J & J	....		....	....	....
Metropol'n Ry Co. 1st g. g. 6's.1911	913,000	J & J	....		....	....	....
DetroitCit'ensSt.Ry.1stcon.g.5's.1905	5,485,000	J & J	103	Nov.23.'01	....	....	....
Grand Rapids Ry 1st g. 5's.......1916	2,500,000	J & D	....		....	....	....
Louisville Railw'y Co. 1st c. g. 5's, 1930	4,600,000	J & J	109	Mar. 19,'98	....	....	....
Market St. Cable Railway 1st 6's, 1913	3,000,000	J & J	....		....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	OCTOBER SALES. High.	OCTOBER SALES. Low.	OCTOBER SALES. Total.
Metro. St. Ry N.Y.g. col. tr.g. 5's.1997	12,500,000	F & A	118	Oct. 28,'02	118	116¾	43,000
" refunding 4's..........2002	12,780,000	A & O	96⅛	Oct. 31,'02	97	96½	53,000
B'way & 7th ave. 1st con. g. 5's, 1943	7,650,000	J & D	117½	Oct. 18,'02	117½	117½	17,000
" registered		J & D	119½	Dec. 3,19'	....	....	....
Columb. & 9th ave.1st gtd g 5's, 1993	3,000,000	M & S	120¼	Oct. 27,'02	120¼	120	3,000
" registered..................		M & S	....	....	....	....	....
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	123¼	July 24,'02	....	....	....
" registered..................		M & S	....	....	....	....	....
Third Ave. R.R. 1st c.gtd.g.4's..2000	35,000,000	J & J	99¼	Oct. 31,'02	99¼	97	853,000
" registered.................		J & J	....	....	....	....	....
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	125	July 3,'02	....	....	....
Met. West Side Elev.Chic.1stg.4's.1938	10,000,000	F & A	101	Aug.25,'02	....	....	....
" registered..................		F & A	....	....	....	....	....
Mil.Elec.R.&Light con.30yr.g.5's.1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's........................1919	4,050,000	J & J	110	June26,'01	....	....	....
St. Paul City Ry. Cable con.g.5's.1937	2,480,000	J&J15	114⅛	Nov.14,'01	....	....	....
" gtd. gold 5's 1937	1,138,000	J & J	112	Nov.28,'99	....	....	....
Union Elevated (Chic.) 1st g.5's.1945	4,387,000	A & O	109⅛	Dec. 14,'99	....	....	....
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N	....	....	....	....	....
" 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....

MISCELLANEOUS BONDS.

Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	104⅛	Oct. 31,'02	104¾	104½	33,000
Am.Steamship Co.of W.Va.g.5's 1920	5,452,000	M & N	100¾	June 4,'02	....	....	....
B'klynFerryCo.ofN.Y.1stc.g.5's.1948	6,500,000	F & A	80	Oct. 16,'02	80	80	4,000
Chic. Junc. & St'k Y'ds col. g. 5's.1915	10,000,000	J & J	111	Mar. 7,'01	....	....	....
De.Mac.&.Mar.ld.gt.3½'s sem.an.1911	2,771,000	A & O	82¼	Oct. 31,'02	90	82	221,000
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan.19,'94	....	....	....
Madison Sq. Garden 1st g. 5's....1919	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's.1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuilding & Dry Dock 5's............1890-1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's...1951	11,580,000	F & A	95½	Oct. 29,'02	96½	95½	6,500
" registered..................		F & A	....	....	....	....	....
St.Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & J	....	....	....	....	....
St. Louis Terml. Cupples Station & Property Co. 1st g 4½'s 5-20..1917	3,000,000	J & D	....	....	....	....	....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	101	Feb. 19,'97	....	....	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	118⅛	Dec. 18,19'	....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series D 4½'s..............1901-1916	1,000,000	J & J	....	....	....	....	....
" E 4's...............1907-1917	1,000,000	J & D	....	....	....	....	....
" F 4's...............1908-1918	1,000,000	M & S	....	....	....	....	....
" G 4's...............1903-1918	1,000,000	F & A	100	Mar. 15,19'	....	....	....
" H 4's...............1903-1918	1,000,000	M & N	....	....	....	....	....
" I 4's...............1904-1919	1,000,000	F & A	....	....	....	....	....
" J 4's...............1904-1919	1,000,000	M & N	....	....	....	....	....
" K 4's...............1905-1920	1,000,000	J & J	....	....	....	....	....
Small bonds......................	....	......	....	....	....	....	....
BONDS OF MANUFACTURING AND INDUSTRIAL CORPORATIONS.							
Am. BicycleCo.sink.fund deb.5's.1919	9,234,000	M & S	46	Oct. 28,'02	47	45	78,000
Am. Cotton Oil deb. ext. 4½'s....1915	2,919,000	......	99	Oct. 29,'02	100	99	19,000
Am. Hide & Lea. Co. 1st s. f. 6's...1919	8,375,000	M & S	97	Oct. 30,'02	97	96	72,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & S	85	Oct. 18,'02	85	85	1,000
Am.Thread Co..1st coll.trust 4's.1919	6,000,000	J & J	82	June25,'02	....	....	....
Barney & Smith Car Co. 1st g. 6's.1942	1,000,000	J & J	105	Jan. 10,19'	....	....	....
Consol. Tobacco Co. 50 year g. 4's.1951	156,516,800	F & A	66⅝	Oct. 31,'02	68¾	65⅛	5,433,000
" registered..................		F & A	66½	Oct. 8,'02	66½	66½	5,000
Dis. Co. of Am. coll. trust g 5's..1911	3,590,000	J & J	97½	Oct. 29,'02	97½	97½	63,000
Gramercy Sugar Co.. 1st g. 6's....1923	1,400,000	A & O	99⅞	Apr. 30,'02	....	....	....
Illinois Steel Co. debenture 5's...1910	6,200,000	J & J	99	Jan. 17,'99	....	....	....
" non. conv. deb. 5's......1910	7,000,000	A & O	100	May 2,'02	....	....	....
Internat'l PaperCo. 1st con.g 6's.1918	9,326,000	F & A	108½	Oct. 17,'02	108½	107	17,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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MISCELLANEOUS BONDS—*Continued*.

NAME.	*Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	OCTOBER SALES. *High.*	OCTOBER SALES. *Low.*	OCTOBER SALES. *Total.*
Knick'r'ker IceCo.(Chic)1st g 5's	1928	2,000,000	A & O	93	Aug.25,19'	....	....	....
Nat. Starch Mfg. Co., 1st g 6's	1920	3,002,000	J & J	96	Oct. 29,'02	102	95	14,000
Nat. Starch. Co's fd. deb. g. 5's	1925	4,137,000	J & J	85	Sept.30,'02	....	....	....
Standard Rope & Twine 1st g. 6's	1946	2,740,000	F & A	68	Oct. 31,'02	68⅝	64	59,000
" " inc. g. 5's	1946	7,500,000	......	15	Oct. 25,'02	16	13	288,000
U. S. Env. Co. 1st sk. fd. g. 6's	1918	2,000,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb.	1915	5,280,000	M & N	114	Oct. 30,'02	114	113	25,000
U. S. Reduction & Refin. Co. 6's	1931	....	......	85	Oct. 23,'02	86	85	14,000
BONDS OF COAL AND IRON COMPANIES.								
Colo. C'l & I'n Devel.Co. gtd g.5's	1909	700,000	J & J	55	Nov. 2,19'	....	....	....
" Coupons off	....	....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's	1919	680,000	M & N	110½	Aug.22,'02	....	....	....
Col. Fuel & Iron Co. gen. sf g 5's	1943	5,311,000	F & A	103	Oct. 30,'02	108	102¼	46,000
" conv. deb. g. 5's	1911	12,069,000	F & A	97¾	Oct. 31,'02	100	93¾	3,153,000
" registered	....		F & A	....	....	....	....	....
Grand Riv. Coal & Coke 1st g. 6's	1919	949,000	A & O	115	June23,'02	....	....	....
Jefferson & Clearfield Coal & Ir.								
" 1st g. 5's	1926	1,777,000	J & D	105⅛	Oct. 10,'98	....	....	....
" 2d g. 5's	1926	1,000,000	J & D	80	May 4,'97	....	....	....
Kan. & Hoc. Coal&Coke 1st g.5's	1951	2,750,000	J & J	105	Oct. 24,19'	....	....	....
Pleasant Valley Coal 1st g. s.f.5s.	1928	1,192,000	J A J	106¼	Feb. 27,'02	....	....	....
Roch & Pitts.Cl&Ir.Co.pur my5's.	1946	1,092,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's.	1912	879,000	J & D	....	....	....	....	....
Ten. Coal, I. & R. T. d. 1st g 6's	1917	1,244,000	A & O	107	Oct. 30,'02	107⅛	106	28,000
" Bir. div. 1st con. 6's	1917	3,399,000	J & J	110	Oct. 23,'02	110¼	110	28,000
Cah. Coal M. Co. 1st gtd. g 6's	1922	1,000,000	J & J	105	Feb. 10,19'	....	....	....
De Bard. C & I Co. gtd. g 6's	1910	2,771,000	F & A	102½	Oct. 27,'02	108	102½	8,000
Wheel L. E. & P. Cl Co. 1st g 5's.	1919	836,000	J & J	82	Jan. 15,19'	....	....	....
GAS & ELECTRIC LIGHT CO. BONDS.								
Atlanta Gas Light Co. 1st g. 5's	1947	1,150,000	J & D	....	....	....	....	....
Bost. Un.Gas tst ctfs s'k f'dg.5's	1939	7,000,000	J & J	80¾	Feb. 20,'01	....	....	....
B'klyn Union GasCo.1stcong. 5's.	1945	14,493,000	M & N	118	Oct. 18,'02	118¼	117½	11,000
Columbus Gas Co., 1st g. 5's	1932	1,215,000	J & J	104½	Jan. 28,'98	....	....	....
Detroit City Gas Co. g. 5's	1923	5,606,000	J & J	98½	Oct. 28,'02	98½	98½	1,000
Detroit Gas Co. 1st con.g.5's	1918	881,000	F & A	104	May 24,'08	....	....	....
Equitable Gas Light Co. of N. Y. 1st con. g. 5's	1932	3,500,000	M & S	118	June30,'08	....	....	....
Gas. & Elec.of Bergen Co, c.g.5s.	1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Grand Rapids G. L. Co. 1stg.5's.	1915	1,225,000	F & A	107¾	Dec. 17,19'	....	....	....
Kansas City Mo. Gas Co. 1st g 5's.	1922	3,750,000	A & O	....	....	....	....	....
Kings Co. Elec. L.&Power g. 5's.	1937	2,500,000	A & O	....	....	....	....	....
" purchase money 6's	1997	5,000,000	J & J	121	Oct. 1,'02	121	121	8,000
Edison El.Ill.Bkln 1st con.g.4's.	1939	4,275,000	J & J	97½	Sept.19,'02	....	....	....
Lac. Gas L't Co. of St. L. 1st g. 5's.	1919	10,000,000	Q F	108½	Oct. 8,'02	108½	108⅛	13,000
" small bonds	....			97½	Nov. 1,'95	....	....	....
Milwaukee Gas Light Co. 1st 4's	1927	6,500,000	M & N	95	July 31,'02	....	....	....
Newark Cons. Gas, con. g. 5's	1948	5,274,000	J & D	....	....	....	....	....
N.Y.GasEL.H&PCo1stcol tr g 5's.	1948	11,500,000	J & D	111½	Oct. 17,'02	113½	111½	47,000
" registered	....		J & D					
" purchase mny col tr g 4's.	1949	20,339,000	F & A	95	Oct. 30,'02	95¼	94	107,000
Edison El. Illu. 1st conv. g. 5's.	1910	4,312,000	M & S	105¼	Oct. 29,'02	105½	105⅛	9,000
" 1st con. g. 5's	1995	2,156,000	J & J	121	Oct. 24,'02	121	120	7,000
N.Y.&Qus.Elec.Lg.&P.1st.c.g.5's	1930	1,960,000	F & A	105	Oct. 30,'02	106⅛	105	5,000
Paterson&Pas. G.&E. con.g.5's.	1949	3,317,000	M & S	....	....	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's.	1904	2,100,000	M & N	104	June 7,'02	....	....	....
" 2d gtd. g. 6's	1904	2,500,000	J & D	104⅛	Oct. 28,'02	104⅛	103¼	23,500
" 1st con. g 6's	1943	4,900,000	A & O	120	Oct. 23,'02	120	117¾	13,000
" refunding g. 5's	1947	2,500,000	M & S	106	Dec. 16,'98	....	....	....
" refuding registered	....		M & S	....	....	....	....	....
Chic.Gas Lt&Coke 1st gtd g.5's.	1937	10,000,000	J & J	109	Oct. 18,'02	109	109	2,000
Con. Gas Co.Chic. 1st gtd.g.5's.	1936	4,346,000	J & D	108	July 31,'02	....	....	....
Eq.Gas&Fuel,Chic.1stgtd.g.6's.	1905	2,000,000	J & J	105	Oct. 28,'02	105	105	10,000
MutualFuelGasCo.1stgtd.g.5's.	1947	5,000,000	M & N	105	Oct. 23,'02	105	105	10,000
" registered	....	....	......	....	....	....	....	....
Trenton Gas & Electric 1st g. 5's.	1949	1,500,000	M & S	109	Feb. 8,'01	....	....	....
Utica Elec. L. & P. 1st s. f'd g.5's.	1950	500,000	J & J	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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MISCELLANEOUS BONDS—*Continued.*

Name.	Principal Due.	Amount.	Int't paid.	Last Sale. Price.	Last Sale. Date.	October Sales. High	October Sales. Low.	October Sales. Total.
TELEGRAPH AND TELEPHONE CO. BONDS.								
Am.Teleph.&Teleg.coll.trust.4's	1929	28,000,000	J & J	97½	Aug. 8,'02	....	....	....
Commercial Cable Co. 1st g. 4's	2397	10,928,000	Q & J	100⅛	Apr. 8,'02	....	....	....
" registered	....		Q & J	100⅛	Oct. 3,'19'	....	....	....
Total amount of lien, $20,000,000.								
Erie Teleg. & Tel. col. tr. g s fd 5's	1926	3,905,000	J & J	109	Oct. 7,'99	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's	1918	2,000,000	M & N	114½	Apr. 28,'02	....	....	....
" registered	....		M & N					
N. Y. & N. J. Tel. gen. g 5's	1920	1,261,000	M & N	113¼	Oct. 4,'01	....	....	....
Western Union col. tr. cur. 5's	1938	8,504,000	J & J	110½	Oct. 28,'02	110½	109⅞	100,000
" fundg & real estate g. 4½'s	1950	18,000,000	M & N	107	Oct. 31,'02	107	105	119,000
Mutual Union Tel. s. fd. 6's	1911	1,957,000	M & N	111	June 17,'02	....	....	....
Northwestern Telegraph 7's	1904	1,250,000	J & J	104	May 9,'02	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

Name	Principal Due.	Amount.	Int'st Paid.	Year 1902. High.	Year 1902. Low.	October Sales. High.	October Sales. Low.	October Sales. Total.
United States con. 2's registered	1930	445,940,750	Q J	109⅞	108¼	....	....	......
" con. 2's coupon	1930		Q J	109⅝	107¾	....	....	......
" con. 2's reg. small bonds	1930		Q J	....	....	....	....	......
" con. 2's coupon small bds.	1930		Q J	....	....	....	....	......
" 3's registered	1908-18	97,515,660	Q F	109⅛	105½	107⅝	107⅝	2,000
" 3's coupon	1908-18		Q F	110	106½	109	108	55,000
" 3's small bonds reg.	1908-18		Q F	107	107	....	....	......
" 3's small bonds coupon.	1908-18		Q F	109½	106⅜	108¼	108¼	500
" 4's registered	1907	233,177,400	J A J & O	112½	108¼	111½	111	6,000
" 4's coupon	1907		J A J & O	113	108¾	111¼	110¾	72,500
" 4's registered	1925	134,994,200	Q F	139¼	132	....	....	......
" 4's coupon	1925		Q F	139¾	137¾	137¾	137¾	10,000
" 5's registered	1904	19,410,350	Q F	106½	104	104	104	10,000
" 5's coupon	1904		Q F	106¼	104	105½	105¼	8,000
District of Columbia 3-65's	1924	14,224,100	F & A	....	....	....	....	......
" small bonds	....		F & A	....	....	....	....	......
" registered	....		F & A	....	....	....	....	......
STATE SECURITIES.								
Alabama Class A 4 and 5	1906	6,859,600	J & J	107	102½	....	....	......
" " small	....	....	....	....	....	....	....	......
" Class B 5's	1906	575,000	J & J	102½	102½	....	....	......
" Class C 4's	1906	962,000	J & J	....	....	....	....	......
" currency funding 4's	1920	954,000	J & J	111	111	....	....	......
District of Columbia. See U. S. Gov.								
Louisiana new con. 4's	1914	10,752,800	J & J	107	106	106½	106½	1,000
" " small bonds	....		....	....	....	....	....	......
Missouri fdg. bonds due	1894-1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's	1910	3,397,350	J & J	104½	104	....	....	......
" small	....		J & J					
" 6's	1919	2,720,000	A & O	....	....	....	....	......
South Carolina 4½'s 20-40	1933	4,392,500	J & J	....	....	....	....	......
Tennessee new settlement 3's	1913	6,681,000	J & J	96⅝	95½	95¾	95¾	5,000
" registered	....	6,079,000	J & J	95½	95½	....	....	......
" small bond	....	362,200	J & J	95	94	94½	94½	200
Virginia fund debt 2-3's of	1991	18,039,896	J & J	99¾	95¼	96½	96½	60,000
" registered	....		J & J					
" 6's deferred cts. Issue of 1871		4,724,966	....	7¼	7¼	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871	.....	7,966,565	....	15⅝	8	15⅝	11½	1,446,000
FOREIGN GOVERNMENT SECURITIES.								
Frankfort-on-the-Main, Germany, bond loan 3½'s series 1	1901	14,776,000 (Marks.)	M & S	95½	94¾	....	....	......
Four marks are equal to one dollar.								
Imperial Russian Gov. State 4% Rente	....	2,810,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.								
Quebec 5's	1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's	....	....	Q J	100	96	....	....	......
Regular delivery in denominations of £100 and £200	....	£22,407,660	......	....	....	....	....	......
Small bonds denominations of £20	.....	....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.		....	......	....	....	...	....	......

BANKERS' OBITUARY RECORD.

Ashman.—A. L. Ashman, Vice-President of the Excelsior Savings Bank, New York city, and a director of the Astor Place Bank, died October 24. He was born at Lakeville, N. Y., but had resided in New York city since 1857. For over forty years past he had been successfully engaged in the management of hotels.

Backenstoe.—John H. Backenstoe, President of the Farmers' Bank, Hummelstown, Pa., died October 8, aged sixty-nine years.

Bagley.—John H. Bagley, a former member of Congress, and Vice-President of the Catskill (N. Y.) National Bank, died October 23. He was elected a member of the New York Assembly in 1888, and was twice elected to Congress. He was supervisor of the town of Catskill from 1861 to 1864, and was a member of the board of village trustees at the time of his death.

Cobb.—Charles N. Cobb, President of the Abington (Mass.) National Bank, and prominent in local business affairs, died October 6, aged seventy years.

Colley.—J. W. Colley, President of the Bank of Grantville, Ga., died September 28. He was one of the organizers of the bank, and was a leading spirit in financial and industrial enterprises.

Dale.—Charles G. Dale, Cashier of the New York County National Bank, New York city, died October 14. He had been connected with the bank since 1882.

Johnson.—C. H. Johnson, Assistant Cashier of the First National Bank, Wabasha, Minn., died October 20, aged thirty-seven years. He had been connected with the bank for fifteen years.

Hayes.—Samuel L. Hayes, President of the Thomasville (Ga.) National Bank, and a prominent citizen of Southern Georgia, died September 29, aged sixty years. He had been mayor of Thomasville and had held other local offices.

Howell.—Zophar C. Howell, founder and former President of the Camden (N. J.) National Bank, and head of Messrs. Howell Bros., paper manufacturers, died October 6. He founded the bank in 1885 and became President, retiring about two years ago in favor of his son, but continuing as a director.

Loeb.—Albert Loeb, senior partner of the banking firm of Albert Loeb & Co., New York city, died October 12, aged forty-two years. Mr. Loeb was a native of Cincinnati, and was employed there for a time in a mercantile house. On coming to New York he became associated with Kuhn, Loeb & Co., and later engaged in business for himself. He was a member of the New York Stock Exchange.

Newkirk.—Benjamin Newkirk, President of the Jackson (Mich.) State Savings Bank, died October 1, aged seventy-three years.

Nichols.—Henry C. Nichols, Treasurer of the Fulton (N. Y.) Savings Bank, died Oct. 21.

Paulett.—Richard S. Paulett, who had been President of the Planters' Bank, of Farmville, Va., since 1878, died October 7, aged eighty-two years.

Payne.—John Payne, President of the State Bank, Clearwater, Neb., and Vice-President of the Atlas Bank, Neligh, Neb., died October 12.

Reese.—S. W. Reese, President of the Dodgeville (Wis.) Bank, died October 18, at Madison, Wis. He was born in Wales and came to this country in 1845, locating at Cincinnati. He went to Wisconsin in 1852, and in 1875 opened a bank at Dodgeville.

Reynolds.—Wiley R. Reynolds, President of the People's National Bank, Jackson, Mich., died October 15. He had been engaged in active business there for sixty-two years. When the People's National Bank was organized, in 1865, Mr. Reynolds was one of the principal shareholders, and since 1871 he had been President of the bank. He was eighty-five years of age at the time of his death.

Schenck.—Robert C. Schenck, President of the Dayton (Ohio) National Bank, died at Utica, N. Y., October 14.

Selleck.—Victor S. Selleck, Treasurer of the Fairfield County Savings Bank, Norwalk, Ct., died September 27, aged thirty-four years.

THE

BANKERS' MAGAZINE

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FIFTY-SIXTH YEAR. DECEMBER, 1902. VOLUME LXV, No. 6.

THE CONVENTION OF THE AMERICAN BANKERS' ASSOCIATION was attended by a larger delegation from the banks of the country than has attended any convention since the organization of the association. The largest previous attendance was at the convention in Kansas City in 1889. The large number of delegates at New Orleans made it a favorable occasion to judge of the state of sentiment among bankers on the currency question.

The addresses of the Comptroller of the Currency, of ex-Comptroller DAWES, of Hon. C. N. FOWLER, the advocate of the Fowler currency measure, of the Hon C. A. PUGSLEY, the promoter of a measure for emergency circulation, of Mr. HORACE WHITE, the dean of financial writers, all had for their theme the necessity of greater elasticity in the bank-note circulation of the United States as a necessary property, in order to avoid the spasms of the money market, which recur with such regularity and are so unpleasant an accompaniment of the present methods of banking.

Among these speakers there was no agreement as to the remedy for the defect pointed out, nor was there any measure proposed that has as yet met with sufficient approval to insure its successfully running the Congressional gauntlet; not but that the plans suggested by Mr. FOWLER and by Mr. PUGSLEY would each give more elasticity to the currency; there can be no doubt that they would, but there are great differences of opinion, both among the bankers and the public, as to the advisability of some features of these plans. The majority of the bankers are seemingly opposed to any changes in the laws that would tend to the disappearance of the present independent banks. These banks are of two distinct classes; one, the National banks, organized and doing business under Federal laws, and the other, State, Savings and private banks, doing business under general and specific banking laws of the several States.

There is a natural business rivalry between these two classes of institutions. The National banks, in capital and deposits, seem on the face of the statistics to surpass the State banks. It must be remembered, however, that the returns of the National banks made to the Comptroller of the Currency are virtually complete, and the abstract of the reports of the National banks made to that officer on any given date represents the whole strength of the system. The returns of the State and private banks are, on the contrary, far from complete in any abstract that has yet been compiled. The difference in strength as shown by capital and deposits between the two classes of banks is probably not so great as is indicated by a comparison of the perfect returns of the National banks with the incomplete statistics obtained of the State and private banks, although the preponderance is, perhaps, in favor of the National banking associations. But in numbers, at least, the State and private banks and banking offices exceed the National banks, and they are widely distributed; so it may be safely inferred that in the influence which bankers may bring to bear on legislators the State and private banks at least equal, and probably surpass, the National banks.

Throughout the West and South, and perhaps in some other sections, a Representative in Congress will have in his district for every National bank two or more State or private institutions and banking offices. The heads of these are as influential as the National bank managers, and sometimes more so. A member of the House, therefore, when any banking measure comes up, listening to the wishes and advice of his constituents, would probably, as a rule, judge the State bank influence politically to be stronger than the National bank. To meet the approval of Congress a bill affecting bank currency must not be antagonistic to the interests of State banks. It is, however, for the interest of all banks, of whatever class, that the property of elasticity should be imparted to the currency. To impart it by permitting the issue of asset or emergency currency by the National banks alone, will be very apt to arouse the opposition of the banks operating under State laws. If the circulation privilege is enlarged in so meagre a measure, and with such restrictions as to make the profit small, the State banks will not be aroused, but on the other hand the elasticity furnished will not be sufficient.

Mr. PUGSLEY'S measure, for instance, provides for what is called an emergency circulation, but restricts it to ten per cent. of the par value of bonds, and to a further equal proportion when a bank's surplus is twenty per cent. of capital, and at the same time taxes this circulation in excess of par value of bonds at the rate of five or six per cent. per annum. There would be no profit in this to the National banks, and it is extremely doubtful if any great elasticity would be

afforded. Such a measure would not alarm the State and private banks. But if Mr. PUGSLEY'S bill permitted circulation to be issued on bonds to the extent of 125 or 130 per cent., instead of par, as is now the case, without tax, there would at once be some profit to the banks, and much more if the issue of asset currency were permitted to any extent, provided a sufficient reserve were kept. To enjoy the same privilege, State banks would be compelled to come under the National law.

It seems apparent, therefore, that any measure for imparting elasticity to the currency must take not only the National, but also the State and private banks of the country into consideration. Every currency measure so far has applied only to the National banks, and legislators seem to ignore the fact that the National banking associations in numbers are less than half of the whole number of banks in the country. Of course, Congress cannot legislate for State banks directly, but any currency measure which will afford real advantage to the National banks ought also to contain provisions which will enable State banks to become National banks without sacrificing their present advantages. To do this may prove difficult, but no currency measure stands any chance of becoming a law that cannot obtain the approval of all classes of banking institutions. Rightly or wrongly, the banks of the country outside of the National lines look with apprehension upon the granting of any privilege by Federal law which will not be available to themselves as well, without sacrificing any of the advantages they now possess under the freer conditions of State banking law. The State banks are now able to hold their own within their own sphere, because the small advantage the National banks have from circulation is counterbalanced by the other restrictions of the National banking laws. The power to issue circulation is spoken of as a privilege, but it is not a privilege that would be extended by law if a corresponding benefit were not received by the business public from its exercise. It would be no privilege were it not for the public demand for bank credit in a shape available for use as money.

There is no doubt that all classes of bankers are beginning to recognize the necessity and the possibility of devising a use of bank credit which shall make it available to meet extraordinary as well as ordinary demands. The newspaper comment since the convention at New Orleans indicates this much. How it is to be accomplished with the least possible interference with our present system, has not yet been agreed upon. Public opinion is tending to emancipate itself from the hide-bound traditions of a specially segregated security for note liability any more than for a deposit liability. Like the amazed Frenchman, who suddenly became aware that he had been talking prose all his life, the people are waking up to the fact that in depositing their money

with the banks they have for these many years been trusting them to as great an extent as if they had accepted their promissory notes, based on their general credit. In fact, in the absence of bank-note currency of adequate amount, the people have, by means of checks, made for themselves a substitute which, imperfect in many respects, has yet effected great things.

THE RESERVE REQUIREMENTS for State, Savings and private banks, and also for trust companies are generally much less severe than for National banks. When public attention is directed to the banks and their operations, and the effect of the banking laws on monetary conditions, it is only a portion of the banks that are usually thought of. The National banks and the National banking laws are alone held up for public approval or censure. But the National banks form only a little more than half of the banking strength of the country. Besides them are the State and private banks, the Savings banks and the trust companies, carrying on their business entirely independent of the National Banking Law, under statutes of the several States. In times of great demand for banking loans, this assemblage of banks outside of the national laws and working independent of them, undoubtedly save the situation to a degree that is not ordinarily appreciated. At the time of the recent stringency, with their reserves as a rule below the amount required by their organic law, the National banks were powerless to legally respond to the demand for loans caused by the great rush of business at that season of the year. It is not insisted that the National banks were wholly incapacitated, but it is almost certain that if the business of the country had been entirely dependent on the National banks, the means to carry it on could not have been supplied by them. This deficiency was made up by the State banks, private banks, Savings banks and trust companies. The law under which most of these banks are organized does not include any hard and fast provision as to the reserve to be maintained before the public demand for loans can be satisfied. The question of reserve in their case is generally left to the discretion of those to whom the management of the bank is entrusted.

As a rule bank managers, when not restricted or hampered by any law, will keep a reserve amply sufficient to meet the ordinary demands made on a bank. In reality a sufficient reserve is not a fixed quantity. It varies with the character of the business done by the bank, and in the same bank the really necessary reserve may vary much at different times. Much more, then, it follows that a sufficient reserve for one bank may be grossly inadequate, or on the other

hand greatly in excess of the reserve necessary for another. To determine the amount really required exercises the skill and judgment of the banker, and an expert and accurate judgment on this point is the mark of excellence in a bank manager, especially where he is under no fixed legal requirement.

The founders of the National banking system in embodying in the law an inflexible requirement of reserve, departed from the practice of lawmakers who almost invariably in the United States and foreign countries have left the question of reserve to be maintained to the bank manager. It is probable that in placing a provision for a fixed reserve in the National Banking Law Congress wished to provide against the danger that National banks might be organized by men ignorant of banking methods. Whatever their reasons, this provision has tended to build up the money centers at the expense of the smaller localities and towns, and in times of great monetary pressure, even when this pressure is caused by a purely business demand for money, seriously cripples the system in its efforts to meet the demand. Other banks, however, not so restricted have increased in numbers and strength, so that they are very well able to-day to supply the deficiencies of the National banking system. It is highly probable that were it not for the relief that State banks and other financial institutions not under the National Banking Law afford, this defect in the National system would have become so obvious as to have forced a modification of the present law as to reserve. This superiority in ability to give assistance to business men at times when the National banks are restricted by reserve regulations is no doubt one very important cause of the increase in banking institutions not organized under the National Banking Law.

THE CANADIAN SYSTEM OF NOTE ISSUES, it is asserted by some, would furnish an adequate remedy for the recurring stringencies in the money market caused by the annual necessity of the transfer of cash from the eastern money centres to the West for the movement of the crops. Some have gone so far as to suggest that the American system should be remodelled on the system now known as the Canadian banking system. It was stated by a very high financial authority in an address before the convention at New Orleans, that these spasms of the money market never occur in Canada. This is perhaps true in the sense that what may be styled the financial centres of Canada, Montreal and Toronto, never seem to suffer to the same extent as our eastern centres; but while these central localities may be well taken care of, outside localities are not so well provided for as are the country districts in the United States.

Here great complaints are heard in the money centres when the country banks draw down their balances to use the money to meet local demands, but there generally is an adequate supply of money at the points needed to move the crops.

This year the Manitoba Department of Agriculture complained of the lack of banking facilities in moving the enormous wheat crop of the Canadian Northwest. It is recited that in Winnipeg, the commercial centre of the Northwest, there are branches of twelve of the most important chartered banks of the Dominion, and that they were unable to supply sufficient money to meet the demands of the grain men. Although forty new branch banks were opened throughout the whole Northwest, the supply of money was greatly stinted. No doubt the crop was unexpected and unprecedented, but it is not believed that under the system of independent banks in the United States, even with our imperfect currency system, that there would have been this dearth of money when a product representing money, so salable and so much in demand as wheat, was so freely in evidence.

Without ascribing to the Canadian banking managers any design of forcing the wheat at low prices into the hands of bank favorites, and allowing for the imperfect conditions for the collection and transportation of the grain, this instance of inability to care for a phenomenal crop indicates that the business instincts of the population are not stimulated under the chartered and exclusive system of Canada as they are under the independent competition of the free banks of the United States. It is surprising that the Canadian Northwest, so full of possibilities for production as it is known to be, should have induced the establishment in Winnipeg, the commercial centre, of branches by only twelve of the more than thirty chartered banks of the Dominion, and that throughout the whole territory only some forty branches were in operation. This territory is as large as several of our northern tier of States combined, and probably the American system would have opened over one hundred competing banking offices, instead of the fifty-two branches, which seem to divide the territory amicably among themselves.

The character and traditions of a people have much to do with the manner in which business is carried on, and if the present system of independent banks in the United States were superseded by chartered banks, with branches, it would doubtless be conducted on more liberal principles than those which the bankers of the Dominion appear to consider liberal enough to meet the demands of their citizens. But the power of such a virtual monopoly to divide territory and to take advantage of their power to issue or withhold money is apparent. The controlling influences in the Canadian system are at the centres. The money belongs to the great parent banks in the sense

that it is fully under the control of their directorate. A branch manager, however he may be alive to the needs of his locality, has no power to compel the central bank to send him the required funds. Each independent bank of the United States, nursing and collecting surplus capital in its own locality, may indeed send it to the money centre, but never loses control of it. When locally needed the local bank does not merely *advise* but *demands* the prompt return of its funds. If it does not require money it can furnish exchange to its customers without consultation or delay. The branch bank manager must consult the parent bank and be guided in the local accommodation he furnishes, not by local needs primarily, but by the limitations and necessities of the parent institution.

The more the practical operations of the Canadian chartered bank, through its branches, are looked into closely, it will be found that while perhaps admirable for the concentration of capital and for safety, they may either from design or from inherent imperfection be very defective in the distribution of facilities.

The system of independent banks of the United States seems to send surplus cash capital to the money centres with equal if not superior facility, and the right to demand the return of this capital to the localities where it was collected when needed there is absolute and not to be denied by the money centres. When a country bank maintains a balance in the East, it can have the cash representing it sent back on demand or know the reason why. The branch bank manager can demand from the parent bank, as Hotspur could call spirits from the vasty deep, but it rests with the wisdom of the parent bank to refuse to respond. The institutions at the money centers of the United States must meet the demands of the independent local banks or suspend or fail. The spasms of the money market due to these demands cause losses in the speculative markets and sometimes are so severe as to derange ordinary business, but it is doubtful if the losses so caused are as great as the losses in enterprise and development locally over the whole extent of the country would be if the local banks could not recall at will the surplus capital they temporarily invest in the money centers.

The Canadian centers of collection keep themselves free from these spasms, because they are in a position to refuse to strip themselves to meet even the most urgent local needs.

The defect of the American system is that there is not enough power in the banks of the money centers to enlarge their cash reserves when the demands from outside localities supplement the home demand for money. The bankers of these centers are, however, adjusting themselves to these known conditions more and more, and there is no doubt a remedy will eventually be discovered which will modify

and perhaps do away with these periodical squeezes, which will not interfere with the beneficent operations of the local independent banks.

The Canadian system of banking is unquestionably a safe one and possesses many admirable features; but it is very doubtful if it could be copied in this country with advantage, under the dissimilar conditions prevailing here.

TOO MUCH MONEY! This is what is claimed by the financial writer of the New York "Sun." He writes: "The main trouble with our present currency system is not that money is too scarce, but too plentiful. If, in response to the demands of speculators, Congress should recklessly ordain a further inflation, the most monstrous financial crime of the century would be perpetrated." A plausible and startling half-truth, evidently put forward with authority, for the purpose of preventing any action by Congress looking toward amendment of the weak spots in the currency system, and to maintain the present order of things. It is not the speculators who want change or reform. Under the restrictions and methods of banking as now practiced in the United States, the alternate plethora and scarcity of money at the great centres of trade and population encourage a very carnival of speculation. The recurring spasms of the money market give the greatest opportunity to profit by the financial wrecks they occasion. The really great speculators are those who lie in wait like spiders, until the crash, which under the present system they may expect with confidence, arrives, and then rush out to batten on the carcasses.

It is very much to be suspected that this setting up the straw figure of inflation, and the wail about "the most monstrous financial crime," is a move in the interest of these speculators, who do not wish Congress to spoil their market by granting powers to the banks which will enable them to mitigate if not entirely remove the causes leading to these periodical crises in the money market.

The formation of centres where money accumulates is due to the natural laws governing the use of money.

No enactment or alteration in the aggregate amount or character of money will entirely prevent the operation of these natural laws. Legislators might as well seek to distribute the population of the country so that every square mile of territory shall have an equal number of inhabitants as to seek to distribute money in a similar manner. Everyone knows that at times and periods the money of the country flows from the places where there is no immediate use for it to the great cities, and above all to New York city, where if

anywhere more or less profit can be secured by its use. At other times the money so accumulated in the central money markets is recalled to the outlying localities, because use for it there is again found.

The times and periods for this accumulation and depletion are perhaps roughly known, but there is no certainty as to days or weeks. That the country banks and capitalists will send their money to the money centres when not required at home and will want it again when home opportunities for its use arise, is a fact that is as inevitable as the rising and falling of the tides. This flow of capital goes on all over the world. It is the business of the money centres to find use for the accumulation of moneyed capital. This is their reason for being. The most skillful traders and speculators, the promoters of the greatest enterprises, flock to these markets as borrowers. They would not be worthy of their rank in the financial world if they were not fully aware of the conditions under which this money is obtained and the conditions under which it must be returned.

It is true that abundant money is the cause of abundant activity in the sphere of trade and speculation. To repress this activity is, however, to deplete the business life of a nation. The banks of the money centres are charged with the handling of the accumulations which naturally flow to them. It would be better for them, and for their customers, and for the whole community, could they invariably loan it for productive business and speculation. It is their true policy to reduce borrowing for dangerous or reckless enterprise to a minimum. But it will always be impossible for them to do more. There will always be reckless speculation, and more of it when money is most plentiful. In this sense there is at times too much money. Whether the aggregate amount available under present laws, consisting of gold, silver and paper, is too much, is a different question altogether. If this aggregate amount were reduced one-half, there might still be times when there would be too much money at the money centres to be used for legitimate business and speculation, and reckless speculation would still be encouraged. In other words, the aggregate amount of money has little or nothing to do with the attendant phenomenon —accumulation at the money centres. Whether the aggregate were small or great, this phenomenon would manifest itself.

The statement that there is too much money, as far as there is any truth in it, does not mean that the aggregate amount is too great, but that at times too great a proportion of the aggregate appears to accumulate in the money centres. But even this statement is deceptive, without its complement, which is that at times there is too little money in these same centres. The great bankers of New York city, if the gravity of the situation and the dignity of their office did not

prevent, must laugh when seriously told that the high rates for loans, the fall in prices of securities and the panicky uneasiness, were immediately due to too much money. In a remote sense too much money at one time brought about conditions of too little money at another. These alternate periods of plethora and stringency are the rule at the money centres, not only of the United States, but of the world. The richer a country grows the more money it will control, and the more severe will be the action and reaction at the centres of trade. In older countries than the United States the subject has been carefully studied, and although no panacea has been discovered, yet many of the symptoms of these recurring crises have been very much mitigated by granting to a bank or banks powers which are withheld from the banks of the United States. This power consists in an extraordinary exercise of their credit by the use of promissory notes. It is a power, no doubt, that in ordinary times may be abused and produce the very conditions its proper use might obviate.

For the last century the best method of granting this power so that it may be beneficially exercised, and with such restrictions that it may not be abused, has been the subject of debate and experiment. In 1863 the National Currency Law inaugurated the present system of bank currency based on bonded security. This system affords perfect safety from the usual abuses of a bank circulation, but it does not accomplish the beneficial results without which a currency has no reason for being. Except as the credit of Government bonds has been sustained by their issue, the country could have as well progressed with Government notes as with National bank notes. The elasticity of the two forms of money is about the same. An extension of this system by permitting the use as security of State, city and municipal bonds, as well as United States bonds, would tempt reckless speculation in a manner compared to which the temptation offered by accumulations of money at the centres of trade would be a mere bagatelle. Nevertheless, it is the opinion of those who have given the subject the most study and thought, that in some carefully guarded use of the credit of responsible banks, permitting them to temporarily issue promissory notes, to supply temporary scarcity of money, lies the most effectual remedy for mitigating the dangers of the sudden arrest of enterprise, whether wise or reckless.

Many bills have been introduced in Congress, which while containing good features, are on the whole not satisfactory. It is not believed that it would be wise to grant free issue of what is called asset currency to all banks indiscriminately. This might indeed result in our last condition being worse than the first. Opinion seems to be concentrating on some system of what is called emergency currency. But to extend even an emergency circulation privilege to

all the banks indiscriminately would be impracticable. What could be done safely would be to extend to the strong clearing-house banks of the money centres of a certain grade the privilege of emergency issues for the whole country. At any rate, the subject of rendering these periodical spasms of the money market less violent, or if possible removing them altogether, is a subject worthy of the consideration of Congress. To place this subject in the light of a mere matter of too much or too little money, is to blind the public to the real duty of Congress and the real conditions underlying the question. Money will always accumulate in the centres of population and trade; speculation will always thrive there. These things cannot be prevented by any law. The most dangerous effects of these unavoidable conditions may, however, be palliated by the use of proper banking methods. The necessary powers to exercise these methods are not now possessed by the banks. Only Congress can grant these powers. Therefore, it is necessary that Congress should act wisely and carefully, neither deterred by the cry of inflation nor hastened to foolish action by the demands of speculators or the riders of pet banking hobbies. The difficulties surrounding the action of Congress are immense. They are political, as well as economic. There will be disagreement among banks and prejudice among the people. Nevertheless, these difficulties will never be overcome unless the question is opened for searching debate.

THE ADDRESS OF MR. HORACE WHITE before the convention of the American Bankers' Association in New Orleans indicates how far thinkers on the subject of the currency have advanced in daring within the last decade. Ten or twelve years ago no one would have ventured to advocate the issue of promissory notes by banks to circulate as money without some definitely stated limit. To have done so would have risked a financial writer's reputation for sanity, as Gen. SHERMAN did his when he represented in the early part of the Civil War that two hundred thousand men would be necessary to overcome opposition in the Southwest. Mr. WHITE boldly calls this belief in the necessity of a limit on circulating notes definitely fixed by a percentage to capital, a superstition founded on the early experience of the country with reckless and irregular banking. Not that Mr. WHITE does not require a limit on issues, but it is a limit fixed by the necessity of keeping a reserve and of redeeming the notes on demand.

The capital of a bank has no more logical relation to its note issues, than its deposits. Thus a bank with $100,000 capital may have a million or more deposits, and few would seriously contend that deposits should be limited to a percentage of the capital stock. The only

limit usually set on deposits is the requirement of a certain reserve in proportion to the deposits themselves. Mr. WHITE says that "as regards the safety of a bank there is no difference between a note liability and a deposit liability." Perhaps this statement is a little too general, but to the extent that both have no logical limit except the ability to hold a proper reserve with which each form of liability may be promptly redeemed or paid on demand, it is sound enough. There are, however, possible differences in the amount of cash reserve required to meet these distinct classes of liabilities. Deposits made by the regular customers of a bank probably require less cash reserves in ordinary times than would a liability for bank notes of similar amounts. Checks drawn for deposits are settled to a very great extent by transfers from one depositor's account to another by exchanges between banks through clearing-houses or otherwise. To what extent a similar system of exchanges would be built up for the redemption of promissory notes, if the National banks were permitted to issue promissory notes without limit in the same manner as they receive deposits without limit, remains to be seen. The percentage of the present National bank notes returned for redemption is no criterion of the percentage that would be sent in were each bank's issue without fixed limit. If, as proposed by some, though not by Mr. WHITE, in case the unlimited issue of bank notes were permitted, each bank is forbidden by law to pay out any but its own notes, redemptions would undoubtedly be very rapid, and unless some system of clearing bank notes were devised the cash reserve required would be very large—much larger than that now required to meet the demands for deposits. In this respect it is not so certain that a bank's liability for promissory notes and its liabilities for deposits would be on the same footing. But, on the other hand, were the system of free issues inaugurated, banks would soon learn the proportion of reserve required and would govern themselves accordingly. Each bank would soon discover the average amount of notes that would remain out, and ordinarily would not much exceed this amount, as to do so would be unprofitable.

In granting this privilege, however, it could only be extended to the National banks, and the first effect of it would probably be the conversion of the majority, if not all of the State banks, into National banks. This might in some respects prove an advantage. It would, however, by bringing all banking under the restrictions of the National banking laws, very much reduce some of the facilities that the State banks now under freer laws extend to borrowers.

While Mr. WHITE'S suggestions are founded on true banking principles, they are so much in advance of the ideas of the present generation, and so antagonistic to the traditions and superstitions of the public, that it will be some time before they are adopted in prac-

tice. The freedom of political institutions seems to preclude freedom to work out banking principles without restriction. The history of banking in the United States shows the gradual curtailment of the right of individuals or corporations to conduct this particular business without Government interference. The National Banking Law was the crowning enactment of a long series of restricting laws. It was perhaps due to the imperfect development of the country and its rapid growth that when banking was left comparatively free from the interference of special statutes that it ran riot, endangering the public welfare, and rendering strong control necessary. Whether the country has now arrived at such a stage of business education that the restrictions thought necessary heretofore may be safely removed, is a question in the minds of many. That they will be removed as time goes on is very possible, but probably the process will be a gradual one.

A sudden restoration of all banking powers under principles that permit any one who can secure the confidence of the public to become a banker, would undoubtedly attract many who would use the permission for dishonest purposes. The very freedom of enterprise fostered by American institutions renders it dangerous to throw wide open a business that requires peculiar qualities of mind and character involving great self-restraint to render it profitable to the banker and safe to the public. But suggestions such as those made in Mr. WHITE's address are all the more valuable, as they show clearly the principles which underlie the banking business and which are apt to be forgotten.

AN ELASTIC BANK-NOTE CURRENCY has been proposed recently, to be issued on the following plan. It consists merely in permitting the banks organized under the National Banking Law to incur liability for note issues as freely as they now do for deposits. In other words, each bank is to order of the Comptroller of the Currency, and have on hand, such stock of blank notes as it deems necessary for its business, and to sign and issue such notes to any extent in response to the demand for them. Each bank is, however, to keep an adequate reserve in gold or Government notes equivalent to gold to redeem its issues when such are presented.

In order to insure prompt redemptions, each bank is to be forbidden from paying out the notes of any other bank. When the notes of any other bank are paid in or deposited, they are to be sent for redemption either to the issuing bank or to some common agent of redemption. The idea is that this prohibition to pay out the notes of other banks, and the consequent immediate redemption, will prevent any excessive amount of the notes from remaining in circulation at any one time.

This proposition appeared soon after Mr. WHITE's address at New Orleans, and was, no doubt, suggested by it.

The prohibition to pay out notes of other banks would certainly bring about immediate and rapid redemption; but might not so rigid a prohibition sometimes cause so great a contraction of the money available for use by any bank that the bank might be put to serious inconvenience? The prohibition, moreover, would apparently apply only to the National banks. The State and private banks would be under no such restriction and would possess the advantage of paying out or redeeming as might be most convenient. If, however, the law prohibited any bank from paying out any but its own notes, then State and private banks without the privilege of issuing their own notes would be compelled to use coin and Government notes exclusively. Even the National banks might occasionally be reduced to the same sole resort at times when the supply of their own notes on hand might be temporarily exhausted.

After such a system had been in operation for a sufficient time to enable the course of issue and redemption and the amount of reserve required to be learned by experience, contingencies of the kind mentioned might not often arise in the case of a National bank. It seems likely, however, that to rigidly restrict each bank to the use of its own notes only, would render of little account the permission to issue as many of their own notes as it wished. In the case of some banks situated favorably for note presentation it might be found impossible to keep more than a few thousand dollars permanently outstanding, while other institutions might be more successful. In fact, the rapidity of redemption would probably be very unequal in the case of different banks, and might in the aggregate work at times too rapid contraction of the money in circulation. Moreover, to keep up this constant redemption would require the maintenance of reserves much larger than are now kept on deposits.

There is another possible difficulty. A bank receiving the notes of other banks, which until they had been sorted and put through the process of redemption would not be available to meet demands, could not afford to receive them except at a discount, and this discount would fall on its customers and depositors. In the competition for business the same difficulties would arise over the redemption of the notes of other banks as now arise in the collection of checks.

Under the old State bank system prior to the establishment of the National banking system, redemption of bank notes was left to private enterprise. The Suffolk banking system was the highest development of the methods of redemption, and under it the redemption at par of any notes of the New England banks was provided for in Boston. The banks were not forbidden from paying out the notes of

other banks, and when they received them the notes were immediately available for use. Nor was there in other States any general restriction upon banks in those States from paying out notes of other banks, if they found it convenient to do so. The cost of redemptions under the Suffolk system was very light, but this was in some degree owing to the small amount of territory covered by the banks.

Just as in matters of taxation, the burden of the tax eventually falls on the consumer, so although the cost of redemption seems to be paid by the banks, it is in the last resort paid by their customers, and is included in the increased interest paid for loans. Under the old State bank system the cost of redemption at the money centres was in many cases frankly collected from the public in the shape of discount and exchange, and was an acknowledged source of profit to the issuing bank. That redemptions have to be forced is true enough. The trouble with National bank and Government notes is that the motive for their redemption is very slight, and is not the same at all times. The only motives for the redemption of bank notes are the desire to realize on bonds, or to obtain legal tenders to increase reserves. The general public has no desire to change a National bank note for another paper note of equal value. But the force applied to secure the redemption of the bank note under the proposed plan is as excessive as the force applied to the redemption of the present National bank note is deficient. Mr. WHITE did not suggest any such stringent means in his address.

It is probable that were it possible to secure popular approval of the plan of free extension of their note liabilities by the banks, to such an extent as to move Congress to favorable action, that these issues would be adequately reduced by the same force that now compels the collection of checks, only to a greater extent. To prevent banks paying out the bills of other banks where they find it convenient would nullify many of the benefits of a free issue system.

THE COMPTROLLER'S REPORT is published elsewhere in this issue of the MAGAZINE. It is an able document, and sustains the favorable reputation Mr. RIDGELY has made by his previous report and the addresses he has delivered before meetings of bankers in various parts of the country. His recommendations in regard to banking legislation are judicious and such as would undoubtedly promote the business interests of the United States. He favors the gradual introduction of a credit currency and the maintenance of the present system of independent banks. Further consideration of the report is deferred until our next issue.

THE REPORT OF THE SECRETARY OF THE TREASURY, in so far as it relates to matters pertaining to currency and banking, will be found in another part of this issue of the MAGAZINE.

Secretary SHAW favors the passage of a law providing for the exchange of gold for silver, and when this is done he also suggests that National bank notes be made redeemable in gold. He is of the opinion that the burden of providing gold for export and for domestic use would thus be transferred, in great part, from the Government to the banks; but we are inclined to think that the banks could easily shift this burden upon the Treasury by presenting legal tenders or silver for redemption in gold. With the volume of silver certificates and legal tenders so much in excess of the National bank notes, it is perhaps too much to expect that any considerable amount of gold would be obtained from the banks.

The Secretary does not propose the retirement of the greenbacks. It seems that the present would be an especially favorable time to convert $150,000,000 of the greenbacks into gold certificates, by using the gold reserve set aside by the act of March 14, 1900. Enough gold could be appropriated from the general fund to provide for the redemption of such legal tenders as would probably be presented after the conversion of $150,000,000 as above indicated.

For some purposes, and particularly as a matter of convenience, legal tender paper is desirable. This requirement could be met by making gold certificates a legal tender, except by the Treasury, thus placing them on a footing with Bank of England notes. Of course, it would be better if the Government would confine itself to its legitimate function—certifying the weight and fineness of the coins. It should be no part of the business of the Treasury to provide a storehouse for coin belonging to individuals, but the idea of paternalism in monetary affairs is so deeply implanted in the public mind that it will take a long time to uproot it.

Secretary SHAW recommends that the law limiting the total subsidiary coinage to $100,000,000 be repealed, and that the silver bullion and the dollars, when required, be converted into subsidiary coins.

He does not favor branch banks, but suggests that the banks be permitted to issue notes on their general credit, and thinks that with a proper tax—which he prefers to call an insurance premium—the notes would be absolutely safe, even without being made a first lien upon assets.

The Secretary's recommendations will be generally approved by thoughtful students of finance, and they are indisputably such as would tend toward strengthening our financial system. Whether Congress will pay any attention to Mr. SHAW's well-considered suggestions is another matter.

THE FUTURE OF THE MONEY MARKET.

There never was a time when those who endeavor to prognosticate the future conditions of the money market appear to be so much at sea as at the present time. There seems to be no way of arriving at definite or even partial conclusions which may be relied on with any certainty.

The element as to which there is the greatest lack of information is the actual balance between the United States and foreign countries, the balance not alone of trade as usually conceived of, but of the transactions in investments and securities and in temporary loans. The lack of information as to the amount of capital of any one country invested abroad is not only conspicuous as to the United States but also as to most foreign nations. In France, however, estimates supposed to approximate accuracy have been made by leading economists of the amounts of French capital employed in foreign enterprises and tied up in foreign investments. On what data these estimates are based does not appear. The existence of a great central bank in France, through which a great share of the business of the country passes, no doubt makes it easier to learn what is really passing in financial circles. The business which in France passes through its great bank, to which all the other financial institutions are more or less tributary, must leave traces that can be at least approximately read. The heavy taxation necessary to provide the revenues of the French Government, and the imposition and collection of which entails the closest scrutiny of all kinds of property, including monetary investment, is a factor in placing accurate information in the hands of the Government. To avoid this existing taxation and to escape future burdens of the kind, has been the motive inducing many French capitalists to place their holdings in foreign banks and in foreign securities. The amount so invested abroad, either permanently or temporarily, is estimated at nearly seven billions of dollars. No estimate appears to have been made as to the capital of foreigners invested in France.

In the United States domestic financial statistics are moderately complete, but there has been as yet no systematic attempt made to even approximately determine for the information of the public the amounts of capital that in various forms are passing in and out of the country. The Government keeps track of the exports and imports of merchandise and gold and silver, but there is no way of learning how much foreign capital is loaned here, or how much home capital is loaned abroad; neither is the exportation and importation of securities very strictly followed up. While rough estimates are frequently made, any attempt to prognosticate the course of the markets on such data as there are seems generally to prove that many factors of importance must have been omitted in these estimates. Very often it has been announced that a movement of gold either to or from the United States was imminent, but the event had not been clearly foreseen. Yet the movement of gold is as important a key to the conditions of international monetary and trade transactions as it ever was. The fact that it cannot be foreseen or predicted with

the same confidence as formerly is that the complexity of transactions between nations has increased beyond the means of tracing them. International banking is a sphinx which does not readily give up its mysteries.

It is partly this feeling of uncertainty and mystery which pervades monetary circles that has thrown a certain cloud over the confidence that flourished so rankly during the wave of prosperity prevailing during the past five years. Is it true, as is darkly surmised in some quarters, both at home and abroad, that these great private banking firms who have developed this international exchange of capital to so enormous an extent, have gone beyond a conservative limit? There is really no means of knowing whether this is so or not. The recent stringency in the Eastern money market was marked by features differing from former occurrences of this kind. This difference has been ascribed to the fears of foreign creditors and to rumored difficulties in continuing foreign loans. The best opinion, as expressed in foreign monetary publications, seems to be that there was no real cause for alarm, but that conservative men, in the absence of exact knowledge, had been affected by a spasm of doubt. Any breakdown in the prosperity of domestic trade and production would have had a worse effect, coming while this attitude of mind prevailed. But the threats to our domestic prosperity have, so far, passed innocuous; the crops are a success, the strike in the coal regions is being adjusted, and this point of apprehended danger seems to have been weathered successfully.

Nevertheless, these international operations will continue to be a source from which danger may be likely to arise most unexpectedly, unless better means are devised than now exist for keeping track of its general scope. The country may be lulled into false security and confidence by representations as to its great crops, its great sales of manufactures in foreign markets and of the amounts which are due us for these exports. Suddenly it is discovered that other operations have been going on, that foreign capital has been borrowed and sunk in unwise enterprises, that there is pressure for its return, and that the results of the successful enterprises have been already wasted or tied up. This international business is carried on by a large number of firms, each independent of the other. The foreign bankers and capitalists with whom they deal are also more or less isolated from each other. The aggregate of these transactions may readily far exceed what any one of those engaged in them can realize is possible.

This branch of business has such a bearing on the permanent prosperity of the country that there should be some way of knowing its amount at all times. It is believed that it is a proper subject for investigation by Congress, not in a spirit of hostility, but in order to devise some way by which there may be more concert of action than now exists. This would be a benefit to those engaged in the business as well as to the public.

When the Bank of the United States was in existence it was the agent through whose credit much foreign capital came to the United States. Since the downfall of the Bank of the United States before the onslaught of Jackson and the State banks, this foreign business has been taken in hand by private banking firms who have carefully built up a great credit. Like the great private banking firms of Europe, they have no charters or specially granted privileges but operate under ordinary commercial law. The credit and standing they have acquired is of great benefit to the country. Yet there is not the check upon their operations, as there is upon those of the private banking firms

of Europe through the great governmental banks which there exercise control over the currency and the reserves. In England the Bank of England has control of the reserves, the bank notes and the discount rate, and is a centre at which the transactions of all the private bankers can be estimated as a whole with sufficient accuracy to prevent undue expansion of their operations. The Bank of France exerts even a greater control. In the United States there is no great bank to act as a barometer, and the combined banks of the money centers, though great in resources, are not able to concert to control either reserves, currency or discount rates. The operations of the Treasury under present laws are a further disadvantage. It is believed that a Congressional inquiry, if conducted with the proper ability and temper, into the operations of the international banking firms and their relations to the existing banks might find a clue to a remedy for the periodical disarrangements of our money market.

EX-SPEAKER REED ON CORPORATIONS.—Hon. Thos. B. Reed, ex-Speaker of the House of Representatives, has an article in the December "North American Review" on "Trust Legislation and Tariff Revision." Here are some of his views:

> "These unions of capital have been forced upon the capitalist. Perhaps you think that men were glad to get into these unions and went cheerfully into combinations. Such was not the fact. Men hated to give up their independence. They and their fathers had built up their business. They were proud of their success, and meant to leave their establishments to their children. In the new combination only one could be the head. The others must go out or take rear seats. Then came the task of valuing, which encountered the natural unwillingness to have others do better than we do, until the task of consolidation grew almost impossible. Why was it not absolutely impossible? Simply because of the murderous competition. It was union or bankruptcy.
>
> It would be natural here to say, why not let competition go on? What we want is the results of competition—low prices so that we can buy all we want. The answer to this can be made, and it is worth attention. With small factories scattered around and a country store in every village, competition did insure us low prices, but did not escape the evils we will hereafter speak of. So long as competition could be carried on on the basis of living and letting live, all went well; but, as capital grew in amount and mills in size, competition became more violent and property ceased to make returns. * * * Destructive competition is an evil. The world cannot afford to have a trade which does not pay a fair profit. Hence, when a trade ceases to offer a fair profit, there has to be a remedy, and the remedy chosen here was in reality not a new one.
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> But are we to be exposed to the mercy of those people who pile up millions, and have we no remedy by law or constitutional amendment? * * *
>
> Somehow—after much blundering, perhaps, but somehow—every new movement has in itself the element of protection of the race. For instance, we are all afraid of monopolies; we fear that somebody by some new scheme will squeeze us permanently, and yet that has never happened. But, you will say, what can prevent these great aggregations of capital from charging what they like? The answer is, that what prevents them from charging an unfair price is the well-founded fear that they will thereby risk and lose the vast sums already piled up.
>
> In other words, the same state of the world, the same general wealth, which enabled one big pile of capital to get together, will enable a larger pile to get together and, by means of more modern machinery, to destroy the attempted monopoly."

The ex-Speaker concludes by stating that the ideas in regard to the regulation of trusts are exceedingly vague. He says that it is a good rule, "when you don't know what to do, don't do it," and suggests in regard to protecting investors in watered stock that it is not the province of Government to keep people from getting their fingers burned, but that this is the business of the possessors of the fingers.

EX-PRESIDENT CLEVELAND ON "COMMERCIALISM."

The address of ex-President Grover Cleveland, at the dedication of the new building of the Chamber of Commerce, New York city, departed somewhat from the vein of general congratulation and thanksgiving which it was quite natural to expect on an occasion of the kind. Although generally consonant to the ruling themes dwelt on by the other speakers, there was a curious vein of warning to be read between the lines, somewhat in the spirit of Rudyard Kipling's "lest we forget."

As a man who has filled and retired from the highest position of trust, and who has been very near to those mingled political and business influences which, combined, make up the nation's life, he, more than any man now living, can calmly philosophize. The spectator sees more of the game, and Mr. Cleveland has had special advantages both as an actor and a spectator. Whether he is really wholly out of the game or not perhaps remains to be seen; but at this time he must have deemed himself sufficiently so to venture even as far as he did in the direction of mild warning against some of the tendencies of commercialism. "With our conception of what commerce is," he said, "and ought to be, we have cause of complaint when the word 'commercialism' is used as descriptive of mere money-getting."

In referring to this use of the term "commercialism," Mr. Cleveland quietly directed the attention of his hearers to a charge that, more or less justly, is brought against the spirit that seems to be rife among those who exercise by example and action great control over the business sentiment of the United States. All who reflect on his words must admit that there are many facts that seem to support the truth of this charge.

The spirit of money-getting depends for its moral quality on the motive that lies behind. It is, under the democratic institutions of the United States, the desire to exercise power. The motive for the wish to exercise power is what in political life is called ambition.

The history of all governments of republican form has abounded with examples where money-getting and the attainment of political office have at first been two distinct and special pursuits. So it has been in the United States. The Presidents and statesmen of this country until now have not been noted for their wealth, and wealth of the individual has had very little to do with his rise in political importance. The money makers on the contrary have had as a rule too little time for anything except their business to trouble themselves with politics. Money making, as Dr. Johnson justly observed, is about the most innocent and praiseworthy employment in which the average man can be engaged. It is good for him and for the community at large. Nor, as a rule, does the man who merely strives for a competence suffer any evil therefrom.

Under forms of government where there are class distinctions, those who are especially skillful or fortunate in acquiring money can more readily satisfy

ambitions that arise with its acquisition. In the United States the opportunities of obtaining great fortunes have been exceptional, especially during the last half-century.

The effect on men of the control of great wealth varies; some found families, others seek political preferment. The energy which gets the money still seeks for occupation when the money is gained. It is this energy desiring to use the power which it has acquired that is often misdirected. Some of our wealthy men have so narrowed their faculties that they have lost the power and desire to do more than direct the force they have acquired on the same lines they have always pursued. These look upon business as a game, the only game in which they take interest. They lose their self-respect if they draw out of it. Others are able to turn their attention to politics, and bring into a new field the methods and devices of their business, and, indeed, often find that they succeed very well.

The operations of government in all countries have a great influence on business, and as those who started as money-getters turn their talents and wealth towards success in politics, so those who start as politicians use the power they acquire to strengthen themselves by money-getting.

As the country grows in wealth, politics and money-getting join at very many points. The average man, on starting out, looks forward to successful money-getting as an entrance to the exercise of all kinds of power. The growth of corporations and of combinations of corporations has tended to cultivate and develop the instinct that leads men to control and dominate others. Men who are trained and rise to power on the great governments within governments, represented by great railroads and industrial combinations, develop despotic inclinations and faculties. The boss in politics is the natural concomitant of the boss in industry. The man who governs a great railroad, who manipulates stock markets, or who combines and controls industries, when he goes into political life, naturally builds up a machine of which the subordinates are expected to obey as did his subordinates in his railroad or other business. The old-fashioned politician followed his constituents; the new politician seeks to order his following.

As yet this is a period of transition. The evil commercialism of the day is the spirit of money-getting for the purpose of controlling and directing. It bullies and seeks to dominate both within and without the forms of constitutional law. Even where great wealth seeks occupation through amusement and pleasure, there is often the same spirit of disregard for social convention and public opinion that, when similar wealth occupies itself with politics, is shown toward lawful political methods. The commercialism that is willing to sacrifice principles before regarded as essential to secure power and domination, is the commercialism that is evil. Money-getting, merely for the sake of money, may dwarf the individual, but it is comparatively harmless to the public. If all of our rich men were satisfied with money-getting there would be little to complain of; but when money is accumulated it will be employed, and in the United States there is as yet no check on its employment in politics.

It is probable that as time goes on the proper use of great wealth will be more and more a study. Its possession is comparatively a new thing in the United States. As time goes on it will be divided or come into the hands of descendants of the present owners who by experience and education will have

a higher sense of duty to the public and of greater responsibility to the nation of which they are citizens.

A recent writer has the following to say regarding the acquisition of money: *

"The man who gains money, and holds it, or distributes it within his own circle, that it may all come back to him, is of the criminal grade of success, a menace to society and a felon before any bar of decency or any bench of justice. This man has for his pains only the gratification of his own isolated selfishnenss. He is neither beloved nor respected; he is disliked and hated; he has no friends on earth; he must strain the mercy of the hereafter to get it. He is not a success.

The successful man, with money or without it, is the man who has accomplished the most good for others, himself included; who has done the most to make others and himself better; who has looked upon money as a necessary means to an end; who has acquired as much of it as seems essential to mutual advancement. This man is as uccess, whether he have much or little money, whether he be a lawyer or a blacksmith, a banker or a carpenter, master of a thousand men or one of a thousand workers. This man has friends who love him, not for his money; who respect him, not for his bank account—friends who firmly grasp his hand in life and who shed over his grave the tears of genuine sorrow. Within the fences of his field he has done his best. The world will never forget him, and when he leaves it, the place he once occupied may never be filled as he filled it. He is one of the threads in the billion-wired cable of success, which does its full share in standing the strain of life; and as it has helped others, so is it assisted. This man is not, and could not be, a failure. He is, and has to be, a success. The collateral which he has deposited in the Bank of Earth is payable without discount in the Treasury of Heaven. The seed of his earthly sowing forever harvests in the perpetual fertility of eternity."

* "The Boy; How to Help Him Succeed." By Nathaniel C. Fowler, Jr.

BRITISH CRITICISM OF SECRETARY SHAW.—In an article by W. R. Lawson on "The New York Banks and the Treasury," published in the London Bankers' Magazine" for November, the following appears:

"When did a British Chancellor of the Exchequer ever come forward and prepay nine months' interest on the National debt, as Mr. Shaw has done, merely to help the banks out of a scrape of their own making? When did any finance minister, outside of the United States, bid fancy prices for Government bonds in order to relieve a self-strangled money market? Mr. Shaw has done all that and more. He has raised the limit to which bank notes may be issued against bonds, first from ninety per cent. to par value, and then from par to market value."

Some of these things Mr. Shaw did not do. By the act of March 14, 1900, Congress increased the limit of National bank issues from ninety per cent. of the par value of bonds lodged as security to the face value of the bonds; but neither Mr. Shaw nor Congress has raised the limit to the market value. Secretary Shaw, of course, has no authority to make any such change.

POINTS FOR BANKERS.—Courts have decided that a bank cannot apply the proceeds of a dead man's bank account on any existing indebtedness unless the bank can show that the depositor was insolvent at the time of his death.

The Attorney-General of Iowa has decided that a National bank can legally use the word Savings in describing a separate branch of its business.

THE INTERVENTION OF THE STATE IN THE MONEY MARKET.

Among the most useless and usually mischievous of the methods by which governments have sought to intervene in the money market have been their efforts to support public credit by the manipulation of their obligations on the stock exchanges. As M. Raffalovich acutely remarks: "The economic and political situation is mirrored in the sum of all the quotations on the Bourse. It is a tempting proposition to intervene to render this reflection agreeable and to drive away the clouds, but it is a game which is always dangerous." *

This form of interference by government with monetary laws has attained importance only within the last two centuries, since the development of large public debts and the organization of the stock exchanges. The French Government interfered in almost every conceivable way, while under the domination of John Law, to support his great speculation in Mississippi shares, but the market was not sufficiently organized to make effective the purchase of the shares by the Treasury in order to sustain their prices.

The most notable instance of intervention of this sort in the market during the eighteenth century was afforded by the desperate efforts of Louis XVI. and his ministers to rescue the finances from bankruptcy on the eve of the French Revolution. Calonne, the Minister of Finance, was fertile in expedients for staving off the inevitable day of reckoning, but most of his projects tended to add to the final burden rather than diminish it.

After the King had decided to convoke the Assembly of Notables in 1787, Calonne felt that it was of primary importance to give a favorable aspect to the public credit. A recent loan of 125,000,000 livres was still in the hands of the speculators, and it was desired to secure its distribution among the investing public in order to prevent its decline on the Bourse. Calonne had tried in vain to stamp out speculation by rigorous edicts. He now sought to turn the weapons of the market against the speculators for the decline—the "bears" of the modern stock exchange. He advanced in three days to the bankers whom he employed a total of 11,000,000 livres ($2,400,000). The money was to be employed not merely in buying the public funds, but in keeping the market generally in a buoyant condition by sustaining the quotations of the shares of the India Company and the water company of Paris, which were the chief speculative stocks. The speculation was a failure. The agents of the Treasury bought in 32,500 of the 40,000 shares of the India Company, but found themselves unable to sustain their prices, sold them again to one of the leading speculators, and the affair came to an end in a crash, which cost the Treasury nearly $3,000,000.†

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* *Le Marché Financier en 1891*, p. 16.

† The official estimate of the cost to the Treasury was 14,600,000 livres, but M. Gomel expresses the opinion that it probably greatly surpassed this amount.—*Les Derniers Controleurs Généraux*, p. 259.

NAPOLEON'S EFFORT TO SUSTAIN THE PRICE OF FRENCH SECURITIES.

The conception that speculators for the decline are enemies of the State, while those for the rise are its friends, has more than once appeared in financial history. It was adopted by the great Napoleon in 1803 in the second important attempt made by French statesmen to bolster up a falling market. Bonaparte, in one of his talks with Mollien, the eminent financier, inquired:

> "I ask if the man who offers to deliver in one month the five per cent. rentes at thirty-eight francs which are selling to-day at forty francs, does not proclaim and prepare for their discredit—if he does not at least announce that, personally, he has no confidence in the Government, and if the Government ought not to regard as an enemy the man who, by his own declaration, makes himself such?"

Mollien sought to show the restraining and beneficial influence exercised upon the market by the short sellers, but without convincing Bonaparte. When quotations were threatened by the breach of the Peace of Amiens, the Government was besieged with requests to come to the aid of the market. Bonaparte insisted, against the protest of Mollien, that the public money should be spent in buying rentes to the amount of 10,000,000 francs per day for at least three days. It was not just, he declared, that the fortunes of so many Frenchmen should be compromised by the caprices of the cabinet of London.* The experiment was a total failure. The sum of nearly 37,000,000 francs ($7,250,000) was spent, but the securities went down by ten per cent. and Napoleon abandoned the effort to sustain them.

A like attempt to sustain French public securities at artificial prices for a political purpose was made under the Government of the Restoration in 1818. The Congress of Aix-la-Chapelle met at that time to make the final settlements regarding the indemnity due from France to the Allies and to arrange for the withdrawal of foreign troops from French soil. A payment of 100,000,000 francs was to be made to the Allies, which it was proposed should be settled in French national securities. The Congress of Aix-la-Chapelle agreed that this balance should be accepted at the market price of the securities for October 5, 1818. M. Corvetto, the Minister of Finance, before this date made large advances to the Bank of France for the purpose of advancing the quotations; but France was being drained of gold by the efforts to resume specie payments in England, Russia and Austria, and the metallic reserves of the Bank of France fell in six weeks from 117,000,000 francs to 37,000,000 francs. Speculation forced up the price of the rentes for a short time as high as eighty, but upon the morrow of the Congress of Aix-la-Chapelle the bubble of speculation was pricked and they began to fall. Corvetto then entered the market as a direct purchaser of securities instead of as a lender to the banks. The operation extended over several months, but did not prevent the fall of rentes to sixty-seven and a considerable loss to the Treasury. The Barings, who had agreed to distribute the securities, found them left on their hands and were compelled to insist on a new arrangement with the French Government. The Duke of Wellington and Prince Metternich of Austria, who had been leading figures at the Congress, exchanged some letters regarding the remarkable fluctuations on the Paris Bourse, in one of which

* Mollien, *Memoires d'un Ministre du Trésor Public*, I, p. 349.

Metternich sarcastically observed that "Nothing ought to astonish me which happens on the banks of the Seine." *

Still another attempt upon a larger scale was made to falsify the indications of the market, in order to sustain the course of French securities, in the issue of the great loan of 1881. The Minister of Finance came to the aid of the market by lending money for carrying the securities, to offset the effect of his call for the fifth and last installment of 200,000,000 francs upon the loan. The collapse of a leading banking share brought terror in its train, prices went off, and the bankers and speculators were unable for several months to return to the Treasury what had been advanced. It was not until the end of July, 1882, seven months after the first advances, that the affair was liquidated. The Treasury did not in this case buy securities directly, and succeeded in recovering what it had loaned; but the results were without benefit to the market and would have been disastrous to the Treasury if the Parisian bankers had not proved solvent.

An Example of Successful State Intervention.

One of the few cases in which State interference with the markets produced results beneficial for the Government which interfered was the action of the Imperial Government of Russia in 1894. Examination of its policy, however, will show that it was the restoration of sound conditions to Russian finance rather than the attempt to govern the course of prices on the exchanges, which made intervention effectual. M. de Witte became Minister of Finance in 1892 and succeeded to the wise policy of his predecessors in accumulating a large gold fund for the restoration of specie payments. †

The Russian Government had overissued paper money, especially for the war with Turkey in 1877, until it had become depreciated far below its face value in specie. The fluctuations in value were given a wider range from the fact that the Russian monetary standard before the suspension of specie payments had been silver and silver had been steadily declining in the bullion market. While several of the foreign loans of Russia were payable in gold, it was uncertain when the redemption of bank notes in specie would begin, at what rate redemption would take place, or in what metal it would be made.

The superabundance of the Russian paper rouble and the uncertainty as to its future, made it a subject of active speculation on the Berlin Bourse. Purchases of roubles for future delivery at specified dates and sales on speculation were made in the same manner as "long" and "short" sales of interest-bearing securities. Delivery in compliance with such contracts was usually easy because of the quantities of paper roubles drifting across the frontier of Prussia, while demand for the paper at some price could always be found for discharging obligations in Russia. M. de Witte became convinced that these fluctuations were excessive and were manipulated for their own profit by the speculators of Berlin. He believed that the time had come to put a stop to speculation in Russian paper money. He made an announcement in the St. Petersburg "Journal" of October 10, 1892, designed to direct

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* Say, *Les Finances de la France sous la Troisième République, Les Interventions du Trésor a la Bourse depuis Cent Ans*, III., p. 148.

† While M. de Witte has properly received much of the credit for the restoration of solvency to Russian finance, the accumulation of gold began as far back as 1868, under Count Reutern, when about $150,000,000 was acquired. *Vide* Skalkovsky, *Les Ministres des Finance de la Russie*, p 145.

the attention of the financial world to the strength which Russian finance had acquired through the policy of his predecessors in accumulating gold and curtailing the issues of paper roubles. This announcement, which attracted much attention in Western Europe, was followed in January, 1893, by notice to all institutions of credit doing business in Russia, that any aid lent by them to speculative operations in the rouble would be considered as incompatible with their charters. An effort was even made (Decree of June 8, 1893,) to prohibit all dealings in roubles on margins, and in the meantime a small tax was laid on roubles passing the frontier, with the avowed object of promoting accuracy in statistics.*

These measures were only warnings of what M. de Witte contemplated when he felt that his position had acquired sufficient strength. He determined to give the speculators in paper roubles on the Berlin Bourse an experience which would burn their fingers. He accordingly instructed his brokers privately to buy the paper rouble largely from the short sellers. The rouble had remained comparatively stationary from January, 1894, but continued reports of the bad health of the Russian Emperor in September and October brought the speculators into the field. They sold freely at the rate of 220 marks per 100 roubles—about $5.225 per ten roubles against a par value in gold of $7.72. The purchases through the representatives of the Finance Minister were so large that a genuine scarcity of the paper began to reveal itself. When the time approached for delivery, the "short" sellers were in a quandary how to fulfill their contracts. The price advanced from two to three marks a day, the date for settlement was postponed, and the sellers begged for further delay. Brought to their knees by the skillful policy of M. de Witte, they sent a deputation to the banker of the Russian Government and entered into communication with St. Petersburg. The Finance Minister had accomplished his purpose and demonstrated his power. He generously announced that at the rate of 234 marks per 100 roubles he would place 3,000,000 roubles at the disposition of the market for making settlements.

In closing the matter thus, M. de Witte took occasion to give a warning to the speculators, that if they desired some object of speculation issued by the Russian Government and not payable by its terms in gold, the four per cent. "internal" bonds were open to them, of which there existed 1,000,000,-000 roubles ($770,000,000 at gold par). He suggested that in future they let the notes of the Bank alone as a subject of speculation, and left them to infer that they would not be let off so easily if they attempted to repeat their speculation in the rouble.†

This case of government intervention in the money market derived its success from the firm basis upon which M. de Witte rested his financial policy. The speculators would have been able to snap their fingers in his face if the paper rouble had existed in the excessive quantities of a few years earlier and its purchasing power had been a subject of uncertainty in Russia as well as in Germany. M. de Witte admitted in his report for 1894 that the speculation was too deep-rooted to be at once suppressed, but plumed himself on the fact that the Government and the Bank had a gold fund for engaging in the effort amounting to 609,000,000 roubles ($450,000,000). This fund was

* Report on the Budget for 1894, quoted by Raffalovich, *Le Marche Financier en 1893-94*, p. 159.

† Raffalovich, *Le Marché Financier en 1894-95*, p. 286.

larger, even in 1892, than the combined gold resources of the Bank of England and the Bank of France, and larger in proportion to the paper issues than many States where gold payments were maintained. M. de Witte was soon able to shut the fluctuations of the paper rouble within narrow limits by authorizing the Bank of Russia to purchase gold at a fixed price in roubles. The administration of the finances decided also to narrow the fluctuations in the foreign exchange by buying any such paper offered at 218 marks for 100 roubles and selling drafts on its foreign gold holdings at 220 marks. *

It was these energetic measures, taken by the Government to make good its policy, by bringing a genuine demand for paper and a real supply of gold into the market, instead of factors of demand and supply which were merely fictitious, which enabled it to rout the speculators and complete its measures for the full resumption of gold payments in 1897.

Comparison of Fiscal Operations in the United States and Europe.

The intervention of the State in the money market is a necessary incident of Treasury operations where the amount of public receipts and expenditures differs greatly from time to time. †

This is the case even in European countries, where the business of the government is done chiefly through the central banks of issue, and has proved to be preëminently the case in the United States, in spite of the effort to separate the operations of the Treasury from those of the banks by "the sub-Treasury system." In the case of the European banks, the proposition of Prof. Henry C. Adams is in a general sense correct: ‡

> "At the bank, however, the government is on the same footing as other depositors, and since the money deposited can be loaned out in the ordinary course of business, there is no danger that fluctuations in the receipts and payments of government will occasion a fluctuation in the volume of currency available for trade; for although the money is at the credit of the government, it is available to meet the business demands."

While this statement sets forth the fundamental difference between the systems in vogue in Europe and the system of an independent Treasury in the United States, it is subject to some qualification in practice. So far as the volume of funds entrusted to the national bank is under the control of the Minister of Finance, he usually pursues the wisest course and is subject to the least criticism when he endeavors to keep these funds at a nearly uniform level by transfers and by prudent selection of the time for disbursements and for the collection of taxes. In every country having a large public debt, the periods when interest is paid on the debt and when new loans are issued are always of importance to the money market. The Government in Great Britain and France stands towards the central bank of issue in much the same position as any private customer, except that the magnitude of its transactions imposes upon the Government greater care in making drafts upon its deposits. In Great Britain the Government sells short-term loans to meet temporary deficiencies of revenue, pending the collection of the taxes. The withdrawal of the proceeds of such sales from the open market into the Govern-

* Lorini, *La Réforme Monétaire de la Russie*, p. 82.

† Mr. Bagehot declares that "The best thing, undeniably, that a government can do with the money market is to let it take care of itself," and that if a government is to do this, "it must keep its own money."—Works, V. p. 68. But this happy condition is necessarily conditioned on an evenly-balanced budget.

‡ "The Science of Finance," p. 212.

ment account at the Bank of England tends to lessen the amount of the floating loan fund and to give the Bank better control over the market through the discount rates. *

Prudence and skill on the part of a finance minister in dealing with the market are required under modern conditions in the flotation of a large public loan. An amount in currency and banking credits may then be withdrawn from the loan fund which would have a serious effect on the demands for currency for ordinary needs if the entire amount of such a loan were paid at one time. The offer of a large loan in France, England, or Germany is usually accompanied by a fall in the prices of existing securities and their sale in other markets in order to release capital for subscriptions to the new loan. In addition to this preparation, instinctively made by the general market for meeting heavy calls for currency and capital, special precautions are usually taken by both the government and the central bank. One of the most obvious of these on the part of the government is in dividing the subscriptions for the loan into payments extending over a considerable period of time. †

Thus, in the issue of the French loans for the war with Germany and the settlement of the indemnities, the mininum number of payments was eight (on the loan of 1870) and the maximum was twenty-one (on the loan of 3,000,000,000 francs). In the latter case, however, as Prof. Leroy-Beaulieu points out, it is easy to understand why it was judged wise to grant the country a long respite to permit the savings fund, exhausted by the first call, to be recouped. ‡ The French loan of 1881 was divided into five payments and that of 1886 into only three. In the United States the same policy was pursued with the successful popular loans of 1896 and 1898. In respect to the latter it was declared by the Secretary of the Treasury: §

"The receipts of the proceeds of the war loan extended from June, 1898, to April, 1899, although the bulk of the subscriptions was fully paid within the first four months. Of the total of nearly $200,000,000 no less than upward of $125,000,000 was remitted by means of checks on banks in all parts of the country, which were collected through the Washington office."

Effects of the Sub-Treasury System.

Constant watch over the money market by the minister of finance is required in the United States by reason of the sub-Treasury system. No such system is in operation in any country of Western Europe. The Russian Government has a Treasury fund separate from that in the Imperial Bank, but keeps much of its money in the Bank and uses its branches as depositaries in dealing with local funds. The American system is the outgrowth of the

* Thus, after the Bank of England raised its discount rate on October 2, 1902, from three to four per cent. it was declared that "the supply of money in the market and the lowness of the discount rates (there) have so far stultified its movement. The Bank would obtain considerable assistance in carrying out its policy were the Government to redeem it floating debt by again borrowing from the market."—London "Statist," (Oct. 18, 1902) L, p. 651.

† It is declared by Messrs. Boucard and Jezé: "Complete payment would ordinarily be useless, the State needing the funds borrowed only by degrees corresponding to the needs of the service. Moreover, it would be onerous, since the State would have to pay interest for the capital for which it would have no use. Finally, it would be imprudent to require it, if the mass of money withdrawn at a single stroke from circulation was too considerable."—*Eléments de la Science des Finances*, I., p. 345.

‡ *Traité de la Science des Finances*, II., p. 384. § "Finance Report, 1899," p. XXIII.

political conflict which arose under the Administration of President Jackson over the United States Bank. This bank performed for the national Treasury substantially the same functions as the national banks of England, France, and other European countries.* When Jackson, for political reasons, ceased to deposit the public funds in the Bank of the United States and drove the Bank to the wall, he gave the entire custody of these funds to the local banks of the several States. These banks suspended specie payments and many of them failed in the panic of 1837. † This led President Van Buren, in his annual message of 1837, to recommend that the public funds be kept exclusively by public officers in the vaults of the Government. This policy was adopted in the Independent Treasury Act of June 30, 1840, and while suspended for five years during the ascendancy of the Whigs, has been, since 1846, the continuous policy of the United States.

The essential object of the sub-Treasury system in the minds of its supporters was to separate government finance from the ups and downs of the banks. As the situation is described by Prof. Kinley: ‡

"The severance of the Government from the banks, as banks were then constituted, relying largely as they did on Government support for the convertibility of their notes, was the means of removing a large element of uncertainty from the credit of the government, and of insuring to the currency the 'soundness' for which the people had struggled so long in vain."

It was soon recognized, however, that the independent Treasury system might lead to trouble in the money market, if a surplus of Government receipts should withdraw a large volume of currency from use. Secretary Guthrie frankly declared, in his annual report for 1856, that the system "may exercise a fatal control over the currency, the banks and the trade of the country, and will do so whenever the revenue shall greatly exceed the expenditures." He had already faced this contingency during his term of office, and announced that since March 4, 1853, more than $45,525,000 had been expended in the redemption of the public debt. §

This experience was many times repeated during the following sixty years. A large surplus of public revenue over expenditure has again and again withdrawn money from the market under the sub-Treasury system, often when it was most needed, by locking it up in the Treasury and its branches. The effect of this has usually been harmful, although in a few cases it may have tended to check the undue expansion of credit by producing a scarcity of currency at a time when speculation was rife.

In the case of Government intervention in aid of the market in 1853, much money had accumulated in the Treasury vaults, and the circulation had been reduced by the disappearance of silver coin which resulted from its rise in gold value after the opening of the California mines. One of the steps taken was to advance Treasury funds to the mint, in order that gold bullion deposited for coinage might be paid for at once in coin, instead of awaiting the

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* As pointed out by Prof. Adams, the charter of the second United States Bank was drawn with the purpose of securing a centralized control over public deposits, "but it was never intended that this institution should have exclusive use of public moneys; private banks were always used as depositaries, but, at first, under rules prescribed by the directors of the National Bank."—"The Science of Finance," p. 215.

† For a fuller account of these events, *vide* the author's "History of Modern Banks of Issue," pp. 301, seq.

‡ "The Independent Treasury," p. 29.

§ "Finance Report, 1856," p. 82.

coinage of new gold. Some $5,000,000 was deposited in the mint to enable it to make these payments. The measure proved insufficient to relieve the pressure in the market, and during the summer offers to purchase bonds were made by the Treasury and availed of to the amount of several millions at premiums running as high as twenty-one per cent.*

Similar action was taken in the crisis of 1857. Money had been accumulating rapidly in the Treasury vaults, until in the spring of that year the amount on hand was over $21,000,000. This was a large sum for those times, and was employed freely in purchases of bonds. These purchases were begun, unfortunately, some months before the panic, and tended to supply fuel for the speculative movement rather than to restrain it. The Treasury was able on this occasion, however, to maintain specie payments and to set an example to the banks which led to their early resumption.

PURCHASE OF BONDS AND OTHER EXPEDIENTS FOR RELIEVING THE MONEY MARKET.

The great extension of Government operations in the United States caused by the Civil War and the later growth of the country made the Treasury a potent factor in the money market after 1861. Again and again successive heads of the Department came to the rescue of the market in periods of stringency by paying out the accumulations of money in the Treasury which resulted from the operation of the wasteful and unscientific American system of Federal taxation and budget control. Several methods were found for doing this. One which was much availed of between 1873 and 1893 was the continued purchase of the unmatured bonds of the Government. While these purchases were necessary to release idle money, and had the benefit of commuting a long-term debt, they were made at heavy cost in premiums in order to induce the holders of the bonds to surrender them in advance of maturity.

Just before the panic of 1873, Secretary Boutwell sold gold for currency, with the purpose of strengthening the general credit of the Government. His policy had the result of diminishing the supply of currency in use, because the gold sold was at a premium in currency and did not enter into circulation. When stringency began to be severe, in the fall of 1872, the Secretary continued his sales of gold, but counteracted their effect by depositing the proceeds in the banks. He also sought to aid the market by buying bonds with currency. Each of the latter transactions was carried out in October, 1872, to the amount of about $5,000,000, affording a benefit of $10,000,000 to the market. The effect was quickly visible upon the legal-tender holdings of the New York banks, which rose from $41,915,700 on October 5 to $52,342,100 on October 26, 1872. The rate for call loans fell and the market was obviously eased. The result was more beneficial, however, to the brokers than the merchants seeking commercial discounts. †

Several days after the panic actually broke out, in September, 1873, Secretary Richardson threw overboard nearly all the available funds of the Treasury in response to the clamor of the market. Within a week over

* Kinley, "The Independent Treasury," pp. 175-78.

† "This fact limits very materially," Prof. Kinley observes, "the justification of Government disbursements for relieving the market under such circumstances."—"The Independent Treasury," p. 184.

$24,000,000 was paid in currency for bonds and certificates, and on September 29 the November interest upon the public debt was paid in advance. The banks failed to gain by these heavy disbursements. They were losing money steadily to depositors and their legal-tender reserves fell by $10,000,000 between August 30 and September 20. Even the Secretary of the Treasury, in his annual report, set up no stronger claim to benefit from his operations than that "The currency paid out by the Treasury for bonds did much to strengthen many Savings banks and to prevent a panic among their numerous depositors." The crisis of 1873 was due to the abuse of credit and the sinking of circulating capital in fixed forms. Mere increase in the quantity of currency was not a remedy for this, as was proved by the unsuccessful efforts of the Treasury to stem the decline of prices.

The withdrawal of money from the market by the excess of public receipts over expenditures was especialy felt during the several periods of business activity which followed the depression of 1873–78. Differences of political policy between the Administration and Congress delayed reduction of the revenue, and within the three years 1886–88 about $300,000,000 in bonds were purchased at high premiums.*

Upon the purchase of $94,000,000 in the fiscal year 1888, a premium was paid of about $18,000,000. These purchases were rendered necessary, in the opinion of Secretary Fairchild, by the fact that the accumulated surplus of receipts over ordinary expenditures for the year ending June 30, 1888, was $119,612,116, and the estimated surplus for the ensuing year was $104,313,365.†

In 1890, in order to check the alarm caused by the Baring failure in London, Secretary Windom came to the aid of the money market more generously than any of his predecessors. Under circulars offering to buy bonds and prepay interest, dating from July 19, to September 13, 1890, he redeemed bonds of the face value of $73,694,850, and made disbursements (including anticipation of interest to the amount of $12,009,915), amounting to $95,917,798.‡

So completely were the Treasury resources exhausted by these heavy disbursements that the official balance was reduced by the end of October to a little over $2,000,000. The New York banks increased their reserves slightly, but most of the money paid out was drawn into the interior, and high rates for money prevailed almost steadily until the autumn crop movement was over and the influence of the Baring panic became less keenly felt.

Purchases of bonds again became necessary to relieve the congestion of money in the Treasury in the autumn of 1899, but it was in the autumn of 1902 that the most severe pressure upon the market was felt and that the most extreme measures were taken to relieve it. In spite of reductions of taxation in 1900 and 1902, the period of business activity which began in 1897 culminated in a continuing excess of public revenue over expenditure. Other

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* "Banks which had paid 102 in 1879 for the four per cents, for instance, and had since employed the bonds as a basis of circulation, were now offered a steady market for them at 125 or higher."—Noyes, "Thirty Years of American Finance," p. 111.

† "Finance Report, 1888," p. xxv. Mr. Noyes declares that "In August, 1888, it was literally true that that the Treasury's cash surplus, wholly removed from the use of trade, was one-fourth as large as the entire estimated sum in the country's outside circulation."—"Thirty Years of American Finance," p. 123.

‡ "Finance Report, 1890," p. xxx. The purchases under the earlier circular of April 17, 1888, are here deducted from the total given by Mr. Windom.

causes contributed to denude the New York money market of both loanable capital and currency, the reserves of the New York banks fell close to the legal minimum, and for a time in September the rates for money on call ranged as high as twenty and twenty-five per cent. Secretary Shaw came to the rescue of the market by the purchase at a high premium of the four per cent. bonds maturing in 1925. The face value of the bonds purchased during October was $16,504,300, and the amount of currency released in payment for them was $22,846,529.

Deposit of Public Funds in the Banks.

On this occasion, as on many previous ones, advantage was taken of another measure which was in form, if not in substance, an abandonment of the principle of the sub-Treasury project. This measure consisted in leaving large sums of public money in the custody of the National banks. The first National Bank Act provided that the Secretary of the Treasury might employ any of the National banks "as depositaries of the public moneys, except receipts from customs." *

This was amplified in the substitute law of 1864 so as to permit the banks to be again brought into relations with the Treasury to the extent thus set forth: †

"That all associations under this act, when designated for that purpose by the Secretary of the Treasury, shall be depositaries of public money, except receipts from customs, under such regulations as may be prescribed by the Secretary; and they may also be employed as financial agents of the Government; and they shall perform all such reasonable duties, as depositaries of public moneys and financial agents of the Government, as may be required of them. And the Secretary of the Treasury shall require of the associations thus designated satisfactory security, by the deposit of United States bonds and otherwise, for the safe keeping and prompt payment of the public money deposited with them, and for the faithful performance of their duties as financial agents of the Government."

This provision of law was almost broad enough to do away with the sub-Treasury system, but it was not thus carried out. The National banks were employed, however, during the Civil War in distributing loans and as custodians of the internal revenue taxes. During the three years ending with September, 1866, they received on Government account the sum of $1,753,531,636, of which $1,116,151,286 was for subscriptions for public stock, and $599,936,712 was on account of internal revenue. ‡

During the issue of the refunding and redemption loans from 1873 to 1879 also, the banks rendered great service in mitigating the evils which would have resulted from the enforcement of the sub-Treasury policy in its extreme form. The deposits of public money in the banks rose from $53,205,208 on January 1, 1879, to $166,351,141 on February 1, and $276,442,471 on June 1, 1879. §

Notwithstanding this large use of the banks as custodians of public funds,

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* Act of February 25, 1863, Sec. 54.

† Act of June 3, 1864, Sec. 45. This section was re-enacted, without material change, as Sec. 5,153 of the Revised Statutes.

‡ These amounts were in depreciated currency, representing a much smaller value in gold.

§ "Specie Resumption and Refunding of National Debt," House Ex. Doc. 9, 46th Congress, 2d Session, p. 984. Secretary Sherman availed himself of the banks as depositaries of the proceeds of bond sales only after getting a favorable opinion from the Attorney-General on the legality of this policy on August 30, 1877.—"John Sherman's Recollections of Forty Years," p. 602.

when Secretary Fairchild sought to relieve the congestion of money in the Treasury by permitting the general deposits of public money in National banks to rise to $54,475,055 on August 1, 1888, it was made a subject of criticism by political opponents.*

The banks were employed as depositaries to only a limited extent during the ensuing ten years. The Treasury no longer had such a great surplus of receipts, after the revenue legislation of 1890, and the surplus then on hand was expended in the purchase of bonds. Deposits of public money in the banks had fallen at the beginning of 1896 to $14,271,280. The policy of using the banks as depositaries was resumed, however, as soon as the excess of currency drawn into the Treasury as surplus revenue again became a menace to the money market. Deposits of public funds in the banks and other depositaries were $38,743,617 on June 30, 1898; $76,283,655 on June 30, 1899; $98,736,806 on June 30, 1900; $100,010,493 on June 30, 1901, and $119,-814,694 on June 30, 1902. It was under the influence of the autumn pressure of the latter year that such deposits were carried to the maximum of recent years and stood on November 10, 1902, at $143,635,726. This increase of deposits during the autumn was attained only by a new construction of law by Secretary Shaw, by which State and municipal bonds were received as security for public funds in place of United States Government bonds, which had always before been required.

The prudence and honesty of the heads of the Treasury Department have obviated in the United States some of the worst risks of the system of locking up the public money in the sub-Treasuries. It has been only by their direct intervention, however (sometimes in an awkward and ineffective manner), that the sub-Treasury system has worked without causing serious disasters to the monetary system of the country. At the time when the sub-Treasury system was established there were reasons for separating the Government accounts from the banking system. Many of the banks were then unsound and relied upon Government deposits to give them a fictitious standing. The decision to collect the public dues in specie and to hold them in the vaults of the Treasury gave a greater security and certainty to Government finance than was possible after the support of a central bank had been taken away. This safety was ensured under the National Banking Law by requiring that Government bonds be deposited by the banks with the Treasury to the amount of their holdings of public funds. The continuance of the sub-Treasury system, however, tended to keep the Secretary of the Treasury always on the alert to prevent the locking up of money in his care from going too far. His appearance as the savior of the money market—to a greater or less degree nearly every autumn—taught the banks a dependence on Treasury relief and a shortsightedness regarding the husbanding of their own resources which would hardly have occurred if all the public money had been kept in the banks and it had lain with them, by prudent anticipation of the future, to maintain the equilibrium of the market.

INTERFERENCE WITH STOCK AND PRODUCE EXCHANGES.

One of the most pernicious forms of intervention by the Government in the money market is the attempt to hamper or suppress operations on the

* *Vide* address of Mr. Blaine and address by Mr. Fairchild at New York Oct. 18, 1888. Mr. Fairchild pointed out that he had kept down these bank deposits as much as possible by applying $290,924,518 to the reduction of the public debt.

stock and produce exchanges. Legislation to prevent fraud and abuses may, in some cases, be justified, but any measure which tends to restrict the free play of the natural forces of competition tends to falsify the accuracy of the stock and produce exchanges as true registers of value. Notwithstanding this obvious fact, serious interference with the stock market has taken place from time to time in France and Germany and has been attempted in Belgium, Austria-Hungary, the United States and Japan.

In France the function of stock broker was made an official perquisite as early as 1572 and the number of brokers was from time to time increased without regard to the needs of the market, as there appeared to be a possible profit to the needy governments of those times in selling the privilege.* The fury of the Revolution wiped out these privileges and left the market free; but this condition did not last long. The official brokers (*agents de change*) were re-established in 1795 and their functions have subsisted to the present time. Alongside of them grew up a free market, of which the official brokers became jealous whenever it seemed to be attracting a large volume of business. This market, called the *coulisse*, was less rigorous in its rules and less responsible in its management than the body of official stock brokers, and has been often frowned upon by the law courts and the Government.† Such restrictions have not tended to attract business to the Paris Bourse. To float the early loans of the Restoration in 1816 it was necessary to resort to the less fettered markets of London and Amsterdam. On those markets were dealt in from an early day the chief securities of all leading governments, but it was only in 1823 that foreign funds were first quoted officially in Paris. In 1859 legal prosecutions almost broke the power of the *coulisse* in Paris, but its activity constantly broke out again, until in the three years from 1893 to 1895 the taxes paid on its operations were nearly double those paid at the same rates by the official brokers.‡ It was in 1898, after repeated attempts to secure hostile legislation, that the market was reorganized, under the provisions of the Fleury-Ravarin amendment to the budget, and it became impossible to negotiate certain classes of securities legally except through the official brokers.§ On the other hand, there has been in France some disposition to recognize the legitimacy of dealings in futures and their important part in commerce by abolishing the old legal disability to recover in such dealings. Their legitimacy was distinctly declared by the law of March 28, 1885, and it was set forth that no one could escape an obligation because it was settled by the payment of a simple difference.

In Germany interference with the freedom of exchanges has been much more direct and repressive. The German agrarians became possessed of the idea that the sale of products for future delivery, which were not at the time in the possession of the seller, tended to depress the prices of the products. The price of grain had been declining in Germany for several years, and after the proposal of various other measures to raise prices a law was voted in 1896, putting the stock exchanges under Government regulations, prohibiting sales of cereals for future delivery, and prohibiting dealing in min-

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* Courtois, *Opérations de Bourse*, p. 235.

† *Vide* Guillard, *Les Opérations de Bourse*, pp. 315, seq.

‡ Courtois, *Opérations de Bourse*, p. 280.

§ The unofficial brokers might take orders, but would be obliged to execute them through the official brokers, paying to the latter the required commissions.

ing and industrial securities on margins. These provisions were so drastic that if they could have been carried out they would have almost destroyed the market in Germany, especially for wheat; but they failed to raise the price of wheat above that fixed by free competition on the other exchanges of the world. The produce exchanges were closed for a time, and the stock exchanges were paralyzed. Speculation in stocks was not prevented, however, by the requirement that the buyer should pay for them in full instead of putting up a margin. The result of this requirement was to throw stock dealings into the hands of banks, which, by lending to the speculator the amount required, above his own margin, to pay for the securities in full, and by holding the securities as a pledge for the loan, accomplished the same purpose as the former trading in margins on the regular exchanges. The operation was changed in form without being changed in substance. Some of the largest Berlin banks took advantage of the law to register under its provisions and to refuse to deal in "futures" except with other registered banks, thereby increasing the power of the leaders of finance at the expense of the smaller institutions.*

So injurious was the law to German commerce, and so futile in accomplishing the benefits expected from it, that even the Government practically admitted its failure and promised to seek its modification at a conference of the German banks held at Frankfort in the autumn of 1902. It was there resolved unanimously that the Bourse law had not fulfilled the economic ends it was designed to serve, but had facilitated the absorption of the small banking firms by the large institutions of credit, had enfeebled the economic power of the banking interests, and fettered them in competition with foreign institutions. It was declared also that the exceptions made in the enforcement by the courts of bargains for securities were availed of by experienced persons to escape engagements which they had contracted knowingly, to the detriment of general morality. †

One of the markets where comparative freedom prevailed was that of Brussels. Operations on the Brussels Bourse increased at a rapid rate; the French and German banks established large branches in Brussels; and the new railway systems planned at the close of the last century for Russia, China and Africa, were financed largely by Belgian stock companies. The socialistic element is strong, however, in the Belgian Chambers, and proposed to extend moderate restrictions over the operations on the Brussels Bourse. In Japan also the fever for restriction took form, in the spring of 1902, in some sweeping changes in the regulations established by the Government. These regulations were not intended, like those of Germany, to crush dealings in futures, but only to give greater dignity and security to stock exchange operations by raising the minimum capital of an exchange from 30,000 yen to 100,000 yen ($50,000), and raising the price of a license from 10 yen to 100 yen ($50). ‡

Why State Intervention is Ineffectual.

When a State intervenes upon the market for foreign exchange to modify the natural course of values, it is pitted under modern conditions against the

* Raffalovich, *Le Marché Financier en 1896-7*, p. 291.
† *Economiste Francais*, October 4, 1902, p. 456.
‡ "Imperial Ordinance of June 3, 1902."—"Japan Weekly Chronicle," June 11, 1902, p. 530.

floating investment funds of the world. The local market may be affected for a moment by such intervention, but the great international market for capital, represented by rival bourses, escapes the direct effects of this local intervention. For this reason the market for foreign exchange is perhaps even less susceptible to the influence of State intervention than the market for securities. The relentless operation of the law of finance, that money and capital will go where they earn the highest return, makes the rates of foreign exchange a touchstone of local solvency which can be swerved from accuracy only by supreme efforts and for the briefest periods. Banking houses or governments with sufficient credit to sell bills of exchange in large amounts upon a foreign correspondent may create for a time a supply of bills in excess of those provided by the natural course of trade, but such a movement soon comes to the end of its resources if it battles against a strong tendency, due to the operation of economic causes in that unsentimental field where money alone, and reasonable skill in using it, determine the movement of prices. As M. Say acutely observes:*

> "The operations of speculators have only transitory effects, whatever may be their resources, however important may be the capitals of the banking houses, whatever may be the credit of the syndicates, because all those who speculate are always less rich than all the rest of the world. They may, when they measure with sagacity the situation of affairs, anticipate by some days, perhaps for a month or six weeks, the moment when quotations will have attained naturally a certain point; but if they deceive themselves, if they have raised quotations by their own purchases, and if the upward movement foreseen by them does not occur, the rest of the world having more securities than they have, quotations end by declining. Their influence is much less than is generally believed; and if this is true of great syndicates and of great companies and banks, which are able to act secretly and without rendering any account to any one, and who employ scores and sometimes hundreds of millions, can it not be said with greater reason of governments which, in their interventions, have never employed any very considerable amounts of capital?"

Two of the difficulties of governments in attempting to manipulate the market are thus indicated by M. Say. The amount of their capital is trifling compared to the amount constantly invested on the Bourse, and they act under the risk of detection when they wish to be secret and under the obligation of final public accountability. In the natural order of events their intervention must be most fruitless when success is most essential, because it is only when their finances are at their worst that such devices are employed. The rise in the price of national securities is the natural effect of sound administration. The attempt to produce the effect artificially without the cause can at best have an influence only transitory. A government already possessed of large resources need not make a feint of buying its debt or raising the quotations for it, for it has the means to buy the debt openly and cancel it, and thereby cause a rise of prices which is natural and legitimate. This is the secret of the success of the Russian Government in 1894. The Treasury had large resources, which perhaps had not been fully appreciated by the speculators of Western Europe, and it had only to bring these resources into play by effective measures and in a conspicuous manner to give an impulse to its credit which was real instead of an influence which was fictitious and temporary.

Another lesson blazed in burning letters over the history of State intervention in the money market is that the public credit should be kept separate from the commercial credit. If each is strong, it will stand alone. If either is weak, it is more likely to drag down the other, if they are tied together, than to sustain it. The fiscal policy of the government should stand

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* *Les Finances de la France sous la Troisième République*, III., p. 159.

towards the banking world in much the same position as that of any private firm or corporation. Its misfortunes need not then affect seriously the banking and commercial system of the country. A deficit should be covered by loans, if it cannot be promptly met from taxation, but they should not be forced loans levied upon the public or the banks. If the government undertakes to issue paper as a substitute for money, or if it seeks, by one remove from this process, to force the banks to do this to meet its needs, then a disturbing factor is introduced into all business calculations. The medium of exchange ceases to be the metallic standard of other commercial peoples and becomes the same object of speculation as interest-bearing securities.

While public credit and commercial credit remain separate, either may suffer shocks without impairing materially the steadiness of the other. Each may suffer somewhat in sympathy with the other, but not by any means to the same degree or with the same disastrous effects as where they are linked together. If a government like that of Spain or Italy should cover its frequent deficits by the issue of bonds, even if compelled to sell them much below par, the commercial business of the country would be affected only indirectly. The metallic standard would be unshaken, the money in which contracts were executed would be the same as the money of other commercial states, and foreign capital could be obtained freely for solvent business enterprises. If, on the other hand, commercial credit should be shaken while public credit remained unimpaired, the restoration of sound conditions would be much more prompt; because the power of the State would enforce upon the banks conservative methods and the resumption of specie payments as soon as conditions would permit. The experience of the United States, where specie payments were quickly resumed by the banks after the panic of 1857, proves the benefit of independent public credit when commercial credit is impaired. The experience of France in the throes of her struggle with Germany and with the Commune proves the priceless value of a firm commercial credit when public credit is dragged in the gutter. *

On those rare occasions on which official intervention in the money market is justified the efforts of the State should be directed to sustaining the operations of the laws of trade rather than abruptly opposing them. State intervention should follow the lines of least resistance. It should seek to mitigate the effects of severe shocks to the market rather than intensify them—especially when they may result from its own measures. It is upon this principle that watchfulness is justified by a minister of finance over the effect upon the market of pouring into it or withdrawing from it the large funds controlled by the State. The movement of these funds is not governed by the same influences and general laws which govern the movement of private funds. Hence intervention to counteract the disturbing effects of placing a large loan, or to undo the evil done by a long series of unsound public measures, sometimes becomes a duty of the modern State. But in all such measures the aim should ever be kept in view to reduce government interference in the money market and the stock exchanges to a minimum and to conform to normal economic laws rather than seek to reverse them.

CHARLES A. CONANT.

* M. Leroy-Beaulieu declares that faults committed by government banks or those closely linked with the State, and at the instigation and for the benefit of the State, are indefinitely prolonged. "They throw a country into complete confusion for a series of years, or even for decades."—*Traité d'Economie Politique*, III, p. 686.

CREDIT AS AN INSTRUMENT OF TRADE AND INDUSTRY.

[Address delivered before New York Chapter American Institute of Bank Clerks, Thursday evening, November 6, by Hon. Lyman J. Gage, former Secretary of the Treasury, and now President of the United States Trust Company, New York.]

I suppose if somebody were to ask you, "What are the three greatest material elements or forces in human society?" you would probably say first, "Production in some form yielded by the soil, the forest, the field, the mine and the sea;" and if you were to be asked, "What is the next great force operating for the human family?" you would probably say, "Transportation," for that is the force and power which distributes the products of man's labor far and near, and makes production profitable and available for human uses.

If somebody were to ask you, "What is the third?" I think you would have to answer and say, "Credit," for, according to my best thinking, credit is only second to transportation in operating the great field of productivity and transferring the products of human labor from man to man and distributing them to the blessing of all. Every ship and every train of cars that carries the product of human labor to market, or from the factory to the farm, is represented, with scarcely an exception, by some evidence of ownership resting somewhere in the field of credit, as through bills of lading, bills of exchange or promissory notes, negotiated with and carried by the banker.

The Nature of Credit.

What, then, is the nature of this thing we call credit—this powerful operating force in human society? In the first place, it is a sentiment of the mind; a sentiment which renders the possessor of property or values of any kind willing to transfer that property or values to another, without immediate payment, relying on the promises of the purchaser for his reimbursement later on. That is a tremendous force when you think about it, but many are willing to do that thing, to part with the ownership of what they possess with the expectation of getting its value back again with some gain or reward for its use in the meantime.

Of course, such a sentiment as that, operating in the human mind, charged with all these great possibilities, could not have existed in a raw and barbaric state of society. Civilization had to make many conquests before men were willing to do this thing. The sentiments of probity, integrity, the principle of the Golden Rule, had to permeate society more or less, and even beyond that laws had to be instituted, provisions made for the collection of obligations from the debtor, should he become unwilling to meet his just debts.

Well, we need not trace very minutely the progress of human society by which this sentiment of the human mind became so operative as it now is. Let us rather ask by what method it became so efficient for human uses as we now perceive it to be.

How Banking Machinery Makes Credit Effective.

Through a period of evolution, reaching not so very far back in the distant past, either, there was developed what we now call, in its ripeness and full fruition, the machinery of banking, and it is banking which makes the tremendous force to which I have alluded available to human uses.

How does the bank do it? I am undertaking here in fifteen or twenty, or not more than thirty minutes, to sketch what I suppose a political economist of the first order would require at least two volumes to adequately explain; he would have chapters and sub-chapters. I will have to skip all reference to the function which bills of exchange perform in our international trade, vast and important as they are. I will have to pass all that by, and consider the bank in its domestic relations only.

How does the bank make credit effective? It makes it effective by giving its own credit, which is good, or ought to be good, and well known, in exchange for the credit of the individual, who ought also to be good, but who may be very little known, not so well known as to make his obligations powerful in the exchanges of the community, while the banker's credit is powerful for the exchange of commodities in the community. It is, therefore, the province of the banker to exchange his credit for the lesser known credit of the members of the community with whom he deals. How does he do it? Generally speaking, and in a larger degree, he evidences the fact that he has given credit to his customer by passing up to his credit on his books—the banker's books—the amount for which his credit has been exchanged with the dealer.

This credit then becomes the subject of the individual's check or draft. That is to say, the individual has acquired the right to draw money from the bank, and now there works out a very interesting and very influential chain of consequences, which I wish you to keep track of. You all will recognize that this right to draw money is in all ordinary times preferred by the man who possesses it to the money itself. He does not draw his money from the bank, although he has that right. His check on the bank is as effective for the payment of goods that he buys, or for bills that he pays, as would be the actual money. He passes his check, then, to another. That is to say, he passes his right to draw money, but this second party, the recipient of the check, finds himself in the same state of mind as the man from whom he receives it. He has the right to draw money, but he does not care to exercise that right; he prefers to reserve the right and then transfer it to another, and not handle the actual money.

The second party, if he takes a check from the first party, may deposit it in the same bank on which it is drawn, in which case it is is simply a transfer of bank credit, or he may deposit it in another bank, but it then becomes a credit at rest in the second bank, subject to future transfer. Thus you will see, in these rights to draw money, there is built up a vast system of credits, consisting of rights on banks for money, and these are made the subjects of transfer and retransfer, and retransfer again and again, in buying and selling between man and man, in payment of accounts, in settlement of notes and all the purposes for which money is supposed to be necessary. The banker has indeed to look out and see that he is in a position at all times to meet the requests of such as may perchance prefer the money, than to con-

tinue to forbear the right to use it, but experience has shown, and very well demonstrated, that the banker with reasonable cash reserves, say twenty-five per cent., and good counterclaims on the community, is able and always will be able to meet whatever requests are made upon him for absolute cash.

THE EXPANSION OF DEPOSITS AND LOANS.

Do not, however, fail to notice that there has been an enormous expansion of "deposits" in this process, by these credits created through loans. There is a popular idea that deposits consist of money put in the bank, and that if a man puts money in the bank he has got "money in the bank." This is all well enough for a popular idea, but nothing could be more erroneous. When a man puts money in the bank he parts with his money absolutely and completely. He has exchanged it for a right to draw money. When a man puts his note in the bank and it is put to his credit on the banker's books, he is exactly in the same situation as the man who has put in his money; he has a right to draw money, and as the deposits of money will swell deposits on the right side of the bank ledger, so the deposits of bills of exchange and promissory notes or whatnot for which the individual gets credit will also swell the deposits on the bank's books, and when the notes or loans are paid off by the application of credit balances thereto, deposits are reduced.

I think that is a fact very largely lost sight of. Really, loans and deposits are almost corollary terms—when deposits rise, loans rise; or, rather, to put it the other way, when loans rise, deposits rise; when loans decline, deposits decline. The application of the deposits to the liquidation of a debt in the bank reduces by that amount the "deposits."

The vice-president of a large institution to-day said to me: "Bank deposits have gone down alarmingly. Where has all that money gone?"

"Money gone?"

"Yes; sixty to seventy millions fall in deposits. Where has the money gone? Who has it?"

"Nobody has it."

"Well, deposits have gone off sixty or seventy millions."

"Yes, but loans have gone off forty-five or fifty millions, also."

"Yes, that is so."

"Well," I said, "with the exception of the comparatively small amount of money which has gone to the West to move the crops, the banks have substantially the same amount of money that they had six weeks ago."

"I do not understand that."

"Well," I said, "I am not going to set up for a schoolmaster, but if you have $100,000 to your credit over there in the Merchants' Bank, and I owe the National City $100,000, and the National City calls me to pay, and I sell my securities to you, and you give a check on your bank, and I take your check and pay the National City Bank my loan, your deposit will go down $100,000 and the loans in the National City Bank would go down $100,000, would they not?"

"Yes, I see how it works."

THE MOVEMENTS OF MONEY.

My attention was called three or four years ago to a movement here in New York which illustrates the thought I have just been trying to express.

There was a sum of $23,000,000 in money which in the course of six weeks went from the banks somewhere. The larger part of it undoubtedly went to the West and South to move the crops. It touched that vital point, the reserves, because the only money that the banks had on hand or could in any way issue or invent were legal-tender notes or gold, and on this foundation, or in the relation of one to four, one of money to four of deposits, the situation rested.

The movement of money to the West and to the South was the most natural and healthy movement imaginable. It was all that we needed to bring bread to the seaboard and to give the sons of the soil power to labor; but drawing $23,000,000 of reserve money from the banks caused a forced liquidation of loans. The banks had to call in money from their debtors; that is what they call it, "calling money." I do not think as a whole the banks get much money by calling it; they get "liquidation." They had all the money to start with. No one has any money to amount to anything. The banks have it.

There is little money resting outside of the banks anywhere. And this is what resulted: to get the banks in a position again so that their reserves would bear the relation of one to four to liability, this actually took place—figures show it—they called in ninety-two millions of loans, substantially four times the money they parted with.

How Liquidation Reduces Deposits.

Ninety-two millions of dollars of liquidation in loans brought the deposits down, by the application of credits belonging to somebody, which I described in the case of the one hundred thousand dollar loan, so that deposits fell and loans fell ninety-two millions of dollars, and when the loans had fallen ninety-two millions of dollars you can see that what we have is their reserves on hand, although their actual cash was twenty-three millions of dollars less than before. The reduced volume of cash was then an effective and lawful reserve against their liabilities, reduced as they were in the sum of ninety-two millions.

But that is a pretty expensive process, in order to part with twenty-three millions of dollars in money for the country's use; expensive for the trading community, whether they be speculators, merchants, manufacturers or holders of investment securities.

Expansion of Loans and Increase of Deposits.

The expansion of loans will expand deposits, and, as Mr. Vanderlip showed in a late address in Wilmington, deposits have increased within three and a half years in the United States about three billions of dollars. Imagination fires up on that statement, and people look at those figures and say: "How rich we are getting; look at the money in bank—three billions of dollars!" But if you look at the other side of the ledger you will see that loans have risen three billions of dollars—that is, there has been an expansion of credit, and the right to draw on these credits that the bankers have made constitute an effective floating currency, as effective for all the purposes of trade as if there were five hundred, one thousand or five thousand dollar bank notes in active circulation.

Can't you all see they are? They certainly are. The cash on hand in the banks during the same period of time has not risen five millions of dollars.

The banks had a surplus reserve at the beginning of the expansive movement, and that surplus reserve has served to swell the tide of credit, the tide of deposits, which I have said are corollary terms—to an enormous extent. This is affecting all the banks as a whole—National, State and others—with a feeling of some anxiety; but to whatever of danger from over-expansion the banker and the community is exposed, it still remains true that credit, the machinery of banking, the instruments which credit has devised, is in about the degree of third in importance the most influential and useful factor employed in the service of modern commercial and industrial life. Next to production and transportation it is the most powerful and beneficent influence operating in human society.

The Bank Note as a Credit Device.

Now I come to another point in my talk, which relates to a device of credit, which used to exist, and in other countries does now exist, but which has been destroyed with us, much to the harm, in my opinion, of the general body politic. There is no difficulty now in going to the bank and obtaining a credit on its books in exchange for a good note, the proceeds to be checked against in the ordinary way; that is to say, to acquire the right to draw checks on the bank for cash; there is, I say, no difficulty in doing this, provided the bank has a little more than its legal reserve on hand.

But there are uses of life for which, if credit is to be utilized so as to cover these other uses, some device of credit must exist other than bank books, checks and drafts. Checks will not pay cotton-pickers in the Southern cotton fields. There is no place for the cotton-picker to go and realize the money on them, and it is money, or what will circulate as money, that he wants. Checks will not pay the lumbermen in the Northern woods; they will not pay the lumberman in the pineries of Washington or Oregon, nor the salmon fisherman in Alaska, nor the coal miners of Pennsylvania, Kentucky or Indiana, nor the great army of harvesting hands that gather the grain in the far West. No; but are not these needs of life as worthy the facilities of credit from the bank as are the needs of Wall street operators, or the dealer around Sixth avenue, Twenty-third street, Thirty-fourth street or any other street? Certainly they are, for these uses to which I have referred lie at the very foundation of our prosperity.

How Credit is Restricted by Present Laws.

I have pictured to myself, as illustrating this particular point, a man going to a bank—three of them—one saying. "I want to borrow $10,000, Mr. Banker." "Yes. What do you want to do with it?" "I want you to pass it to my credit. I shall be checking against it in the course of my business." The banker says to himself, "I have a little surplus over the legal reserve. I will take my chance with him." All right. The banker thus adds to his liabilities $10,000 by crediting the borrower with the amount of the loan. Number two comes along; he makes the same request. He is treated in the same way.

Number three comes along and says, "I would like $10,000, Mr. Banker. I see you have accommodated my two friends. I hope I am not too late." "What do want to do with the money?" "I am establishing a number of stations down Pamlico Sound for the purchase of fish and sea food of various

kinds. I want to distribute money because these people must have the cash in their hands when they come in with the boatloads of fish or oysters." "Oh, so you need cash?" "Yes." "Well, I cannot accommodate you." "You accommodated these two men." "Yes, but you want the money." "No, I don't want money, not real money; your notes will answer my purpose perfectly." "Well, I have no notes of my own on hand."

But, Mr. Banker, I notice by your published statement that you have a right to issue notes. I will pay the money back before the notes come back to you for redemption. But, says the banker, you ask me for something rather worse than if I were to give you the cash, for I have to invest $11,000 of my money in United States bonds in order to get $10,000 of my notes which you want to borrow. That I cannot afford to do, and I need the cash as reserve for the loans I just now made.

Existing Currency System Costly.

So you can see that by a currency system as costly as capital, the benefits of credit as operated by banks are positively denied in a large number of cases and handicapped at all times and everywhere, bocause the banker has no way of extending to the borrower through his notes what he effectively extends to all the other members of the community who can use checks and drafts.

I asked a banker a while ago, with whom I was talking and who seemed to be rather set in his views on this subject, a series of questions. I will repeat them here.

I said to him: "Do you think credit is an efficient agency operating to the advantage of the human family?"

"Yes, I do."

"Do you think that the development of banking is the most efficient aid to the operation of credit?"

"Yes."

"Do you think that books of account and checks and drafts effectively reach the needs of all the larger members of the community who desire the use of credit, and who can avail themselves of that machinery?"

"Yes."

"Do you think that bank credits, checks and drafts supply the machinery to cover all the uses of life?"

Well, he didn't know, and I sketched to him the outlying interests which I have described to you. "No," he finally replied, "checks certainly do not meet such needs."

"Well, then, if credit is a useful thing and serves the purposes of human society in a degree only three removes in the order of production, transportation and credit; if credit is such a useful thing, and the machinery of credit operated by the banks is legitimate, give me a reason, if you can, why the banker's credit should not be made effective also through the use of his notes in the smaller spheres of labor, and in remote sections of the country?"

Well, he said, he would admit they should.

"Can you think of any form by which bank credit can be utilized for these general uses, unless by bank notes of convenient denominations?"

He said he could not.

Then have you any objections to the issue of what is called credit currency?"

"Well, he said, he thought it was a useful and a necessary addition to the machinery by which credit is made applicable to the purposes of society; "but," he said, "I think the notes ought to be made safe in the hands of the holder."

I said, "We agree exactly; we stand upon the same platform as to the desirability of things, and now all you and I have to do, or all we should have to do, if the power were allowed us to introduce this new machinery of credit notes, would be to so arrange that the banks would be limited in their issues within the lines of safety, and that wise provisions be made to secure the notes against loss in the hands of the holders. Will you join in that effort?"

He said, "I don't believe I will."

"Why not?"

He said, "I believe it is better for me as it is now. I believe we will make more money under the present system than we would under that. It may be better for the country, but I believe it is in the interest of the New York banks to keep as we are."

"When do you think the banker flourishes best? When the country is safe and prosperous, everybody is employed, credit is safe, no great war rumors shaking the country? Or is the banker better off when vicissitude and losses and stoppage of industries and bankruptcies ensue?"

"Well," he said, "I think we are all members, one with the other, and everybody is better off on the whole when everybody is prosperous."

And there we left the argument.

The Fowler Bill too Sweeping.

You were addressed, I think, last year by Mr. Fowler on his bill. His bill is a sweeping measure. It carries an element of betterment which I think is necessary, and for which you see the argument. His bill, however, is too sweeping, it goes too far for the temper of the people at the present time. He has excited the opposition of a large number of diverse interests which will coalesce in opposition. He proposes branch banks, which, however desirable they may be in themselves—large banks with numerous branches—and much can be said in favor of such arguments, but he has 12,000 opponents in the 12,000 banks who are jealous of their own particular rights, and who are not going to have them interfered with, if they can prevent.

Then he has in opposition to him the general prejudice of the community against large banks with branches. He also aims to cure what I think (but which I have no time to discuss) a radically wrong principle in our system of finance; that is, the greenback. He eliminates that by careful and gradual process which would be safe, easy and nobody would ever notice the change if it could be introduced; but against it also he will raise a multitude of objectors who forget that the greenback, serviceable as perhaps it may have been in the time of our civil struggle, is yet a costly instrument, and that it fell to forty cents on the dollar when measured by gold in 1864–65; but the community has become used to that form of money and think it safe. They call it "battle-stained" and "time-honored," the "poor man's money;" and against these he has to make headway if he carries his bill through as a whole.

Some measure, however, either the one proposed by Mr. Fowler, or one more simple still, looking to the use of a credit currency properly limited and

safeguarded, is but a question of time. Such a currency is an essential addition to the banking machinery, which operates to make banking effective for human uses.

Here follows a series of questions and answers in which Mr. Gage explained his idea of credit currency.

Plan for Asset Currency.

Q. Conceding to your argument all that you ask for it, what specific proposal would you offer for the issue of such a credit currency?

A. I have no hard and fast proposal to make. Any change in so important a matter should be carefully made. As a suggestion, however, I would say: Allow National banks, who shall deposit thirty per cent. of their capital in United States bonds as security for their circulating notes, to issue their circulating notes to the amount of sixty per cent. of their capital. The safety of the unsecured portion of the notes to the holder thereof to be provided for by an annual contribution into a common fund, which might be properly named the "safety fund," such contribution to be equal to one-eighth of one per cent. per annum on the whole amount of the notes they were thus authorized to issue.

With this privilege accorded, I feel sure that the capital of the National banks as a whole would soon aggregate $1,000,000,000, and there would be thus provided the possibility of issuing credit notes, or "asset currency," to the extent of $300,000,000. It is not probable that such a volume could be kept in circulation, as the country will not take and use any more than it requires for its business purposes. To the extent that is required for such purposes there ought to be liberty of issue.

Q. Can you tell us upon what you base your judgment when you name a contribution of one-eighth of one per cent. per annum to a safety fund as being sufficient to protect the holder of such notes from loss in case of the issuing bank's failure?

A. My judgment is based on the following facts: A year or more ago the Actuary of the United States Treasury made a critical review of the history of the National banks of the United States for the last thirty-six years to get some light upon this particular point. He assumed that all National banks had availed themselves of the privileges of such issue and had contributed to the safety fund one-eighth of one per cent. of their capital per annum, and thus constituted a fund to make good the delinquencies of any failing banks in redeeming their notes at 100 cents on the dollar.

Safety of Credit Notes.

He took each bank as it failed and assumed that it had outstanding at the time of its failure the full amount of circulation to which it was entitled by law. He then applied to the liquidation of their notes the same percentage of payment that history shows they did pay to their depositors, and the difference between this and full payment of their notes he charged as a loss to the safety fund. Bringing that analysis down thirty-six years, he found that there would have been left to the credit of the safety fund unused on January 1, 1901, a sum somewhat in excess of $27,000,000. This demonstration, it appears to me, furnishes better proof of the safety of such notes than we are

in the habit of relying upon in connection with any of our business affairs in any other direction.

Q. Under your suggestion, if it became operative, would not there be released such a balance of United States bonds now held by Government as security for note circulation as to cause a heavy fall in the value of United States bonds, and thus bring considerable loss to the banks now owning them?

A. No, for you will perceive that my suggestion covers that particular point. There are now some $340,000,000 of bonds held by the Treasurer as such security. My suggestion would still require the deposit of $300,000,000 of bonds, and thus release only some $40,000,000, which might gradually come into the market, but as the Government is expected to invest fifty millions per year in its own bonds, and retire them into its sinking fund, a release of bonds to such an extent would scarcely affect their price at all.

Q. You have pointed out that the fall movement of money to the country interrupts the regular business of the city banks, where country banks' reserves are held, by taking from the city banks a portion of their reserves, so forcing the latter to call in loans and thus liquidate their liabilities to "depositors," so as to make their diminished holdings of cash adequate reserves, and that in order to do this it is often necessary to call in loans and reduce deposits to an amount equal to four times the amount of money they have been called upon to part with to the country. You mention one particular case where the banks sent out $23,000,000 of cash, and as this destroyed a reserve fund for $92,000,000 of "deposits" they were obliged to call in loans to that large amount, and that in a brief period loans and deposits were both reduced to the extent of $92,000,000; that this worked destruction on the general stock and investment market, embarrassed merchants, frightened manufacturers and tended to bring industry to a standstill. What I desire to ask is, How would the issue of credit currency operate to prevent such a chain of evil consequences?

A. As briefly as possible I will reply. The credit currency proposed would not be legal tender, and it would not figure in the reserves. Holding such money, the bank could not increase its deposits through making loans in the ratio of four to one. This is exactly what does take place when legal money is held in the reserve, and the want of legal reserves destroys by so much the fund previously held for deposits, and makes it necessary to call in loans. The issue of credit currency, then, would have no such effect.

The city bank having power to issue its notes, when the currency movement into the interior became active, would then send out its own circulating notes, which would be as effective for the payment of harvest hands, cotton pickers, and all the extraordinary requirements of industry, as is gold itself. Thus you see the reserves in the cities would not be affected, and the scarecrow of the "fall movement" would cease to affect business. Besides this, it must be remembered that each country bank would have the right in itself to issue its notes within the limits the law would allow, and thus there would be in many hundreds of banks the power of local expansion for the crop movement, without calling on the city banks at all.

Speculation not Fostered.

Q. Would not there be a great expansion of currency, which would induce speculation, lead to a rise in prices and result at last in a reaction and failures?

A. I do not think so. There is no power anywhere to compel people to keep in their possession that which they do not want or need; and in a question of money or currency it is often difficult for ordinary people to keep it in their possession at all. Do not forget that the redemption of the currency when it is not needed for general use is as important an element in the system as is the issue of the currency when it is needed. When currency was not needed for active use it would inevitably flow backward into the hands of the banks. Not being legal tender, or qualified reserve for deposits, it would be of little or no use to the receiving bank, and the motive of self-interest would induce the bank into whose hands such currency should come, and where it might accumulate, to forward it to the city bank for credit in account, for when so credited the sending bank would expect to receive interest at the rate of two per cent. per annum. The city bank receiving such currency would, through the same motive of self-interest, desire to exchange this currency for legal-tender money of some kind which would be good in their reserve, and on which they could extend their operations, as we have already seen, in the ratio of four to one.

They would, therefore, send these notes as fast as received to the place of redemption, whether in Washington or New York city, as the case might be. But there is another point. The country bank sending to New York the notes of other banks it had gathered in, in the course of business, would find that the "other banks" had also been receiving its notes, and forwarding them in the same manner. These notes, therefore, would meet each other in the redemption centre to a very large extent, and offset each other in the redemption process, as checks now going into the clearing-house largely offset each other, with the result that a very small sum of absolute money settles the differences.

Bank Balances Safe.

The bank, although it had sent this currency for credit in account would have to meet the redemption of its own notes to substantially the same amount, and would get no credit at all on the books of the city bank. The city banks would not have their balances artificially swelled. The currency, having filled its function as a circulating medium of exchange, would die a natural death, or, rather, go into retirement until a time of activity in the future when its use would be required, and it would again be called into life.

It is this very feature, I am inclined to believe, which causes one of the objections in the New York banker's mind against the issue of asset currency, but it is not a sound objection, because while the result of it would probably be smaller balances in New York due to country banks, there would also be a steadier, more uniform rate of interest, without those violent features of shock and perturbation which the country has now come to expect as an inevitable feature of the crop-gathering period, and which have more than once brought our industries and our trade into serious dangers.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Court of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

SPECULATIONS OF BANK OFFICER—NOTICE TO BROKER—RECOVERY OF MONEY.

Supreme Court of Nebraska, October 9, 1902.

MENDEL vs. BOYD.

Drafts drawn to the order of an officer of a bank, upon one of its correspondents, and transferred to a broker for margins on transactions for the personal account of the President, are sufficient of themselves to put the broker on inquiry as to the President's authority to draw them.

Where funds of a bank are used by an officer in "bucket-shop" operations, the broker becomes liable to the bank therefor, even though, at the time he receives the funds, he does not know that they belong to the bank.

This was an action to recover a judgment on account of certain money of the State Bank of Neola, alleged to have been lost by one J. C. Watts, Cash- of the said bank, to Boyd, in speculating with him in certain gambling transactions on the rise and fall of the market price of grain; the transactions being commonly known as bucket-shop or board of trade deals. It appeared from the record and bill of exceptions that in May, 1896, J. C. Watts, who was Cashier of the State Bank of Neola, commenced to withdraw its funds and to speculate with them, that his deals were made by and through George H. Sidwell & Co., of Chicago, and James E. Boyd, of Omaha. It was claimed that nineteen of the bank's drafts were drawn to the order of J. C. Watts, amounting in all to $21,125, on the Chemical National Bank, of New York city, and indorsed by him to Boyd. These drafts were drawn by Watts himself, or his Assistant Cashier at his instance, and were traced directly to the defendant, who admitted that he received the money thereon. The plaintiff, Mendel, and one Dillon were sureties to the bank on the bond of Watts as its Cashier, and, as such sureties, had paid the shortage in full. Dillon had transferred all of his rights by reason of such payment to the plaintiff, who was thereafter and thereupon subrogated to the rights of the bank as against Boyd.

BARNES, *C.* (omitting part of the opinion): The evidence contained in the record and bill of exceptions fully sustains the view of the trial court that the deals between J. C. Watts and the defendant were speculations on the rise and fall of the market price of grain—mere gambling transactions—and were therefore illegal and void. They clearly fall within the rule of Rogers vs. Marriott, 59 Neb. 759; Sprague vs. Warren, 26 Neb. 326; Watte vs. Wickersham, 27 Neb. 457.

It is contended by plaintiff that the judgment should be reversed, and that defendant is liable for all of the losses of the bank. It is claimed that, the defendant having joined with Cashier Watts in these illegal transactions, he became a joint *tort feasor*, and liable jointly and severally with him for all of the money he took from the bank. The courts have always held the broker liable for the money received by him in deals of this kind.

In the case of Lamson vs. Beard, 336 C. C. A. 56, 94 Fed. 30, 45 L. R. A. 822, the court held that drafts drawn to the order of the President of a bank on its correspondents, for funds of such bank on deposit with them, and paid to certain brokers for margins on transactions in futures, carried for the President, personally, were sufficient of themselves to put the brokers on their inquiry as to the President's authority to draw them. They were, therefore, held liable to the bank for the proceeds of the drafts. The drafts in question in this case, having been drawn to the order of the Cashier, were sufficient of themselves to put the defendant upon inquiry as to the ownership of the funds. The courts now hold that the broker is liable, without regard to the question of his knowledge of the nature of the funds. (Grain Exchange vs. Bendinger, 48 C. C. A. 726, 109 Fed. 926, 56 L. R. A. 875.)

The reason of the rule is "that the broker is not a *bona fide* holder for value." An act that is criminal and void can not be said to be founded on good faith or a valuable consideration. A third person holding money, and defending against the owner, must show some better case than that he acquired the money in violation of law. (Grain Exchange vs. Bendinger, *supra.*)

RULES OF NEW YORK CLEARING-HOUSE—CONSTRUCTION.

Court of Appeals of New York, October 7, 1902.

MT. MORRIS BANK *vs.* TWENTY-THIRD WARD BANK.

The rule of the New York Clearing-House that a depositing bank is bound to repay in money any check or note returned the same day as not good, was not repealed by the amendment of 1884, which authorized an application to the Manager in case of the refusal or inability of a bank to refund the amount of an item so returned.

CULLEN, *J.:* The action is brought to recover money paid on a promissory note payable at the plaintiff's bank. When the note became due, at the request of the defendant it was certified by the plaintiff. This was done through a mistake as to the condition of the maker's account with the bank. Within a very short time, on the same day, the plaintiff discovered the error, and notified the defendant thereof, requesting it to erase the certification.

Of this it is sufficient to say that the appellant concedes that the right of no party was affected by the certification, and that under the decision of this court in Bank vs. Wetherald, 36 N. Y. 335, the plaintiff was not estopped from showing that it certified the check through mistake. The appellant makes no attack on the judgment based on such certification. Neither the plaintiff nor the defendant were directly members of the clearing-house in the city of New York, but each cleared through another bank which was a member. The complaint alleges that both the parties to the action were, under their respective agreements for clearing, bound by the rules of the clearing-house, and this allegation is expressly admitted by the answer. Notwithstanding the notice it had received from the plaintiff, the defendant deposited the note in its clearing bank, and thereafter the same was paid through the clearing-house.

On the same day the plaintiff tendered a return of the note both to the defendant and its clearing bank, and demanded repayment of its amount. This was refused, and thereupon the present action was brought.

While the appellant concedes that it acquired no right against the plaintiff by the certification of the note, it insists that the case is to be considered the same as if the note had not been certified, nor notice given by the plaintiff that the maker's account was not good. It then contends that the payment was voluntary, not made under a mistake of fact, and that hence the plaintiff is precluded from recovery. Conceding the position of the defendant that the cause of action is not affected by its certification of the note, the plaintiff's right to recover depends on the rules of the clearing-house, which are found in the record. That association appears by its constitution to have adopted a very simple manner of settling the drafts, checks and other claims of its various members against the others. Each member, every morning, delivers to the clearing-house the checks, drafts and notes it holds against the other banks, and receives credit therefor, while it is charged with all checks, drafts, or notes payable by it and deposited by other banks. If its deposits exceed the drafts and checks deposited against it, it receives from the clearing-house during the day the amount of the excess in money, while if the reverse proves the case, it is obliged to pay the balance against it to the clearing house. In this daily settlement of the clearing-house no account is taken of the fact that the checks may be bad. All checks, drafts, or notes on any bank are charged against it, though the accounts of the drawers of those checks or the makers of the notes may not be be good for their amounts, and even though the checks be forgeries.

By section 14 of the constitution it is provided that the association shall be no way responsible for such items, but that they are to be adjusted directly between the bank who deposited them in the clearing-house and the bank on which they were drawn. Section 15 provides that "all checks, drafts, notes or other items in the exchanges returned as 'not good' or missent shall be returned the same day directly to the bank from whom they were received, and the said bank shall immediately refund to the bank returning the same the amount which it had received through the clearing-house for the said checks, drafts, notes, or other items so returned to it, in specie or legal-tender notes."

It will be seen that the system of clearances adopted by the association is very simple and that it enables exchanges of the greatest magnitude to be effected in a remarkably brief period of time. This could be accomplished only by making the several banks return the bad checks or notes directly to the banks which deposited them and keeping the accounts of the clearing-house free from all such items.

The system has a weak feature—that is, the contingency that a bank depositing a bad check on another bank, possibly for a very large sum, may refuse or might fail and be unable to pay the amount of such check for which it had received credit in the clearing-house. In such a case the bank on which the check was drawn would have been compelled to pay the amount of the check in money to the clearing-house, and thus have lost it either in whole or part. This danger, however, could not have been regarded as imminent, for the rules remained in the condition I have stated until 1884. In that year, whether because a case of the kind suggested actually arose or not, does

not appear in the record, a further rule was adopted as an addition to section 15:

"In case of the refusal or inability of any bank to promptly refund to the bank presenting such checks, drafts or other items returned as not good, the bank holding them may report to the Manager the amount of the same. And it shall be the Manager's duty, with the approval of the clearing house committee, to take from the settling sheet of both banks the amount of such checks, drafts or other items so reported, and to readjust the clearing-house statement and declare the correct balance in conformity with the change so made; provided that such report shall be given to the Manager before one o'clock of the same day."

The appellant contends that it was the duty of the plaintiff, on finding the note in its exchanges of the day, to have applied to the Manager of the clearing-house for a resettlement of the accounts, and that its failure to do so operated to make the payment of the note voluntary. We think not. The provision of the constitution last quoted did not repeal the previous provision of section 15, whereby the depositing bank is bound to repay in money any check or note returned the same day as not good. Nor was it intended to act as a substitute for that provision. It appears by the testimony of the Manager of the clearing-house that the number of checks and drafts cleared daily is from eighty to a hundred thousand. It is extremely improbable, and bordering on the impossible, that out of that vast number several should not prove bad. If these bad checks were to be always settled by a restatement of the clearing-house accounts, the simplicity and expedition of the clearing-house system of exchanges would be very much impaired, if not destroyed.

It would seem, from its very language, which requires the approval of the committee, that the amendment of 1884 was intended to apply only in exceptional cases, where otherwise a bank would be unable to obtain relief; and that it did not in any respect abrogate the obligation of the depositing bank to repay a member any items of the exchanges which might be returned as not good.

The plaintiff, therefore, was at entire liberty to let the charge for the note stand against it in the account of the clearing-house and seek reclamation directly from the defendant, under the express contract of the latter, imposed upon it by the rules of the clearing-house.

The judgment appealed from should be affirmed with costs.

LIABILITY OF STOCKHOLDERS—DETERMINATION OF COMPTROLLER OF CURRENCY—ASSIGNMENT BY RECEIVER.

Supreme Court of New York, Appellate Division, Fourth Department, May, 1902.

CHARLES W. WALDRON vs. JULIETTE C. ALLING.

Where the Comptroller of the Currency of the United States fixes the personal liability of the stockholders of a defunct National bank at a certain sum per share, and makes a requisition upon the stockholders for that amount, such liability becomes a definite, liquidated claim against the stockholders.

Section 5234 of the United States Revised Statutes, which provides that the Receiver "may, if necessary to pay the debts of such association, enforce the individual liability of the stockholders," does not impose a personal trust and duty upon the Receiver of the bank, which will prevent him from selling and transferring the claim against a stockholder.

This action was brought by the plaintiff as assignee of one Tillinghast, a Receiver of the Columbia National Bank of Tacoma, Wash., to enforce the liability of defendant's testator as a stockholder in said bank.

The facts were stipulated, and from them it appeared that the Columbia National Bank of Tacoma, Wash., was a duly organized National bank; that David G. Alling, defendant's testator, subscribed in writing for two shares of its stock of the par value of $100 each; that after such subscription said bank became insolvent and one Tillinghast was duly appointed Receiver of it; that thereafter the Comptroller of the Currency "made an assessment and requisition upon the shareholders of said bank of sixty-one dollars ($61) per share on each and every share of the capital stock of said bank;" that thereafter "said claim against said David G. Alling was * * * sold and transferred by said Philip Tillinghast as Receiver * * * to the plaintiff, Charles W. Waldron, who is now the owner and holder thereof."

HISCOCK, *J.:* It is well settled that the decision of the Comptroller under the statute that it is necessary to institute proceedings against stockholders in a National bank to enforce their personal liability, is conclusive. The stockholders cannot controvert it and it is not to be questioned in the litigation that may ensue. He may make it at such time as he may deem proper and upon such data as shall be satisfactory to him. (Kennedy vs. Gibson, 8 Wall. 498, 505.)

The statutes governing National banks imposed a contingent liability upon defendant's testator as a holder of stock in the defunct bank in question, assuming now that he was such a one. By the determination of the Comptroller that this general liability should be fixed and adjusted at sixty-one dollars per share, the same became a definite liquidated claim against the stockholder. (Casey vs. Galli, 94 U. S. 673, 677.)

When this step had been taken by the Comptroller the liability of the stockholder assumed the same characteristics as any other claim or chose in action which the Receiver might hold as part of the assets of the bank. Upon general principles such a claim would be assignable unless prohibited in some way by the statute. It is claimed by the respondent that such prohibition is to be found in section 5234, United States Revised Statutes, which provides in connection with other clauses, that the Receiver "may, if necessary, to pay the debts of such association, enforce the individual liability of the stockholders."

It is argued that this statutory provision confers a personal trust and duty upon the Receiver which may not be delegated by him. We think, however, that it would be a somewhat strained construction to give to the language employed this significance. The Comptroller fixes the amount of the individual liability and makes it, as above stated, a liquidated claim. There is no particular personal trust imposed upon the Receiver in the matter of collecting the liability. It is made his duty to realize upon it the same as upon any other asset or claim of the bank which comes into his possession. One of the ordinary methods by which moneys are realized upon a claim is by the sale and assignment of the latter. The present case suggests the difficulties which would attend a decision that a Receiver might not assign such a claim as this. The Receiver of this particular bank is located in Washington. The defendant is found in this State. It would be so expensive as probably to render a proceeding fruitless if the former was compelled to personally come

to this State to institute his action, while, upon the other hand, it might very well happen that something could be realized upon the claim by the sale and transfer thereof. So that we fail to find in the clause quoted a prohibition against the course taken in reference to this claim.

USURY—PENALTY FOR—LOAN COMPANIES.

Court of Appeals of New York, November 11, 1902.

LOWRY *vs.* COLLATERAL LOAN ASSOCIATION.

An association for lending money on personal property and acting as pawnbroker, incorporated under the Act Chapter 326 of the Laws of 1895, which authorizes it to charge two and three per centum a month on small amounts, is liable to the same penalties for an overcharge as are prescribed by the General Usury Law, viz.: forfeiture of both principal and interest.

This action was brought to procure a judgment declaring a loan void and directing that certain notes and mortgages be surrendered, and for an injunction restraining defendant from foreclosing such mortgages.

The defendant is a corporation organized under the "act to provide for the incorporation of associations for lending money on personal property, and to forbid certain loans of money, property or credit," passed April 17, 1895 (L. 1895, chap. 326).

On November 1, 1897, the defendant agreed to loan $150 to the plaintiff for the term of one month, but it actually delivered to him only $138.50, although it took from him two notes for $75 each, the balance having been retained under the cover of interest and charges. On the first day of every month thereafter, to and including September, 1900, the defendant extended the time of payment of said loan, and on each occasion received from the plaintiff therefor the sum of $11.50. Two chattel mortgages were given by the plaintiff upon personal property situate in his residence in Westchester county to secure said loan when made and upon each renewal thereof.

These facts were alleged in the complaint, to which the defendant demurred.

VANN, *J.:* The appellant claims that the General Usury Law has no application to corporations organized under the act in question, because it is not referred to therein. It further contends that protection against abuses is provided by the bond required of the corporation by the second section of the act. That bond, however, does not aid the borrower, as it is to be prosecuted, if knowingly violated, in the name of the people, and the proceeds belong to the State. While a reward of $250 is provided for the person "first giving information and furnishing legal proof of" a violation of the restrictions of the act by the corporation, that is for the benefit of any informer, whether injured or not, and does not apply to the borrower any more than to a stranger.

We think that the act under consideration should be construed in connection with the general statute against usury and as modifying the latter only to the extent mentioned and provided. The Revised Statutes fix the rate of interest at six per cent., prohibit the receipt of interest at a greater rate and forfeit both principal and interest if a higher rate is knowingly taken (1 R. S. 771). This has been the established policy of the State for so many years that a departure therefrom, not by way of general repeal, or so as to affect business transactions of magnitude, but to aid the poor borrower in procuring a

small loan upon the security of his household furniture or other personal property, should be so construed, if practicable, as to protect the class for whose benefit the change was made. Persons who borrow small sums, never exceeding in the aggregate $200, on the strength of such security, need the protection of a statute against usury more than any other class, for they are usually without credit, business experience or the ability to protect their property from sacrifice if they are not able to repay the loan. They are the persons most likely to be taken advantage of by a grasping and rapacious money lender.

The primary object of the statute of 1895 was not to create a new kind of corporation for the purpose of enabling the corporators to make money, but to rescue people of small means from the grasp of those who were disposed to take advantage of the ignorant and needy borrower. It authorizes corporations formed under it to make small loans only, upon the security of personal property and to charge a rate of interest much greater than the usual rate provided by law, but still reasonable under the circumstances, considering the trouble and hazard. It provides that the sum charged for interest shall include all services of every character, except upon foreclosure and except also that it permits a maximum charge of $3 for "first examinations" of the property to be pledged or mortgaged and for drawing and filing the necessary papers. It also prohibits persons or corporations, other than those organized under the act, from charging or receiving in any county where such a corporation is located, "any interest, discount or consideration greater than at the rate of six per cent. per annum upon the loan, use or forbearance of money, goods or things in action less than $200 in amount or value," or upon the loan of personal credit made on the security of household furniture, etc. "Any person, and the several officers of any corporation, who shall violate the foregoing prohibition, shall be guilty of a misdemeanor, and upon proof of such fact the debt shall be discharged and the security" adjudged void.

The object of the statute was to place the small borrower in the hands of a responsible party and to shield him from the class accustomed to charging excessive interest. While great care is taken in the act to punish all who charge more than six per cent., except the corporations organized under it, still it inflicts no penalty upon such corporations and provides no relief for the borrower in case they take advantage of his necessities by charging a greater rate of interest than is allowed by it. The facts in this case illustrate the necessity of some safeguard for the borrower, as the plaintiff has paid to the defendant, for interest and charges upon the loan or forbearance of about $150 from November 1, 1897, to October 1, 1900, the sum of $402.50 instead of $111, the amount allowed by the statute. Did the Legislature intend that such corporations, enjoying such unusual privileges, could charge any rate of interest they saw fit with impunity?

In view of the well-known fact that as a rule those who make a business of lending to the poor are apt to charge extortionate rates of interest, we do not think the Legislature intended to leave that class of borrowers which needs protection most bound and helpless in the hands of the usurer. If it had intended to exempt corporations formed under said act from the pains and penalties of usury, it doubtless would have said so. We think that the General Usury Law was not repealed as to this class of corporations, but only relaxed so as to allow a moderate increase of interest upon small loans, owing

to the labor of superintendence necessarily involved. In other words, the effect of the two statutes, when read together, is to increase the rate of interest upon loans covered by the act of 1895 and to apply the penalty of forfeiture prescribed by the Usury Act if the rate so authorized is exceeded. While the rate of interest was increased, the penalty for exceeding the legal rate was not done away with. In view of the history of the Usury Law and the general object of the Legislature in passing the act of 1895, we think the foregoing is the only reasonable and practicable construction, and without considering the other questions argued by counsel, we apply it to the case in hand by affirming the judgment below, with costs.

Parker, *Ch. J.*, Gray, O'Brien, Bartlett, Haight and Martin, *JJ.*, concur.

Judgment affirmed.

TAXATION OF NATIONAL BANK STOCK—UNEQUAL VALUATION—REAL PROPERTY AND PERSONALTY.

Court of Appeals of New York, October 7, 1902.

MERCANTILE NATIONAL BANK OF CITY OF NEW YORK *vs.* MAYOR, ETC. OF CITY OF NEW YORK.

Where there is no discrimination against National bank stock in favor of other personal property, the fact that the assessment for taxation on personal estate is at a higher ratio of valuation than upon real estate, is no ground for the intervention of a court of equity at the instance of a National bank.

This action was brought by the plaintiff, a banking institution organized under the National Banking Law, to restrain the municipality of the city of New York and its receiver of taxes from collecting a portion of the taxes imposed for the year 1896 upon the bank's stockholders.

It was alleged in the complaint that the total assessed valuation of real and personal estate in the city for municipal and State purposes for the year 1896 was the sum of $2,106,484,905, of which $1,731,509,143 represented the assessed value of the real estate and $292,351,569 represented that of the personal estate other than bank shares; the assessed value of which latter property amounted to $82,624,193. It was also alleged that the laws of the State require all property, real and personal, liable to taxation, to be assessed at its actual value; that "the real estate of said city liable to taxation was deliberately and intentionally assessed and taxed at not more than sixty per cent. of the actual value thereof, * * * and the shares of stock of the plaintiff were deliberately and intentionally assessed for taxation and taxed at their full or actual value, after making the proper allowances for the real estate of the plaintiff;" that, if the real estate had been assessed at its actual value, "the amount of taxes which the stockholders of the plaintiff would have been required to pay would not have exceeded sixty-five per cent. of the amount of such taxes as actually levied and demanded as aforesaid."

GRAY, *J.* (omitting part of the opinion): What, then, is the grievance which the plaintiff asserts in its appeal to the equitable power of the court in behalf of its stockholders for preventive relief? It is that the commissioners of taxes and assessments of the city of New York have deliberately and intentionally assessed and taxed the real estate in the city in 1896 at not more than sixty per cent. of its actual value, while the shares of stock of the plaintiff have been deliberately and intentionally assessed and taxed at their full value; thus creating an inequality of assessment, whereby the plaintiff's

stockholders are called upon to pay an undue portion of the annual taxes for city, county and State purposes.

In other words, the grievance amounts to this: That the assessment for taxation on personal estate is at a higher ratio of valuation than upon real estate within the city. There is no question of discrimination against National bank stock. The system of taxation as to that form of personal property is in harmony with the taxation of other personal property in the city.

The provision of the National Banking Act authorizes the State Legislature to determine the manner of taxing National bank stock, provided that such taxation "shall not be at greater rate than is assessed upon other moneyed capital in the hands of individual citizens in such State" (Rev. St. U. S. § 5219); and this is complied with in the legislative requirement that stockholders in State and National banks shall be assessed and taxed on the value of their shares of stock, which "shall be included in the valuation of their personal property," and "shall not be at a greater rate than * * * * upon other moneyed capital in the hands of individual citizens." (Laws 1882, c. 409, § 312.)

The complaint is founded upon the provision of the Revised Statutes of this State that "all real and personal estate liable to taxation shall be estimated and assessed by the assessors at its full and true value," etc. (1 Rev. St. 393, § 17), and upon the failure of the assessing officers to comply with that provision in assessing real estate.

This failure, of course, we must regard as admitted in the case to have been deliberate and intentional on the part of the officers charged by law with the duty of municipal assessments for purposes of taxation. The reasons for the official action complained of do not appear; but it is not alleged to have been fraudulent in any respect, or to have been impelled by a motive to do injustice, or with the purpose of discriminating to the injury of a class of persons or of a species of property.

If the Tax Commissioners have refused to follow strictly the provision of the Revised Statutes with respect to the valuation of the taxable real estate in the city, it does not follow that the general burden of taxation, as finally adjusted, has been laid unequally or inequitably upon the body of taxpayers. The inequality which is complained of, is one that is incidental to a general plan of taxation. That is to say, there is no complaint of inequality in the assessment of the taxable personal estate. It is that the taxable real estate is assessed at a different ratio of valuation from that adopted as to personal estate. I do not think that this is an inequality which can constitute a legal grievance, as would be the case if there had been an unequal valuation of property of the same class.

Underlying the Governmental power of taxation for the raising of revenues is the principle, implied from the nature of our political institutions, that taxation should be equal, in the sense that there shall be no discrimination against persons nor any classification which results in discrimination, and that the common burden shall be sustained by common contributions, regulated by some fixed general rule, which operates impartially. Is this a case where that principle has been violated? I think not.

A general statutory rule has been disregarded by the assessors in the exercise, presumably, of an honest and reasonable judgment, as nothing is charged to the contrary; but their action was impartial and with reference to the whole

community. What discrimination was exercised was solely as to the basis of valuation for each of the two classes of property into which all of the property of the community was divided. That there may be a different basis of valuation in the assessment of real estate from that in the case of personal estate is, indeed, intimated by the Legislature in the statutory provision above cited from, and also in that relating to the taxation of the capital stock of corporations that their real estate shall be deducted at its assessed value. (Laws 1882, c. 409, § 312; Tax Law 1896, § 12.)

I think we may fairly assume that the assessors were influenced by the consideration that an assessment of personal estate is subject to a deduction for the debts of its owner, while real estate is not; and that the latter form of property bears the greater proportion of taxes, for the reason that, unlike personal estate, it cannot be concealed. It is a fact of common knowledge and discussion that a disproportionate share of the public burdens is thrown on certain kinds of property, because they are visible and tangible, while others are of a nature to elude vigilance. (Com. vs. People's Five Cent Savings Bank, 5 Allen, 428, 436.) Such considerations may well influence a board of assessing officers to assess real estate upon a different basis of valuation, in order to equalize the burdens of taxation. Equality is unattainable and can never be but approximative.

Upon what principle will a court of equity interfere in a case where the grievance relates to the determination of a political body, acting judicially within the sphere of its jurisdiction? Public policy is against the interference by injunction to restrain the collection of a tax, to the delay and detriment of the public business (Railroad Co. vs. Nolan, 48 N. Y. 513); and courts should be reluctant to grant such preventive relief when they are unable to do complete justice by causing a new assessment upon just principles. A court of equity does not sit to enforce the laws of the State, nor will it sit in review of the judgment of a political body, whose judgment, in the assessment of property for taxation, has been honestly exercised. Nor will the collection of a tax be restrained which is merely erroneous, and not void. (See Mooers vs. Smedley, 6 Johns, Ch. 28; Livingston vs. Hollenbeck, 4 Barb. 9; Van Rensselaer vs. Kidd, Id. 19; Heywood vs. City of Buffalo, 14 N. Y. 534.)

In the system of taxation which was created for the city of New York by the consolidation act of 1882 an official board was provided, with the amplest jurisdiction to hear complaints, and with power to act upon appeals, in matters of assessments, as might seem necessary for the equalization of taxes. (Section 819.)

This fact, together with the limitations upon the right to review by certiorari the decision or action of the board, seems strongly to evidence a legislative intention that the scheme of assessment of the real and personal estate within the city for purposes of taxation should rest finally in the wisdom and discretion of the official body to which it has been confided. How is the court to say that there has not been an equitable adjustment of the burden of taxation under the rule adopted by the board of commissioners? When assessments for the purposes of taxation are made upon principles applicable alike to all the members of a community, there is substantial equality. If equality is equity, there is no inequity in a general scheme of assessment for taxation which applies to the whole community, and discriminations against no species of property. How the plaintiff's stockholders, in behalf of

whom this suit is brought, are affected individually by the application of the rule of valuation adopted, we are not informed. They may have had the assessed valuations of their personal estate reduced by the deduction of their indebtedness. The plaintiff's bank is treated like all other moneyed corporations, and its stockholders have the same privileges as are possessed by other holders of personal property. (Laws 1882, c. 409, § 312.)

The inequality of which complaint is made is one that is general in its nature. If the plaintiff's attack were allowed to prevail, the whole assessment roll might be invalidated, and serious embarrassment might be caused to government operations.

I do not think that the exercise of the equitable power of the court can be invoked to accomplish the subversion of a general scheme of assessment and taxation, which has been adopted by the department of government constituted for the purpose. The cases in the United States Supreme Court to which our attention has been directed as justifying the intervention of equity do not conflict with these views. They differ in essential facts. Either they relate to the statutory conditions which resulted in an injurious discrimination against a class of persons or a species of property, or to acts of assessors having a clear purpose to discriminate against shares of bank stock. (Stanley vs. Board, 121 U. S. 535, 7 Sup. Ct. 1234, 30 L. Ed. 1000; Cummings vs. Bank, 101 U. S. 153, 26 L. Ed. 1052; People vs. Weaver, 100 U. S. 539, 25 L. Ed. 705.)

Equity will go far to afford relief in cases of mistake, or for the prevention of fraud, or to secure to the citizen the equal protection of the laws; but it is not its province to interfere with the collection of a tax in a case where the grievance assigned does not relate to some question of fraud, or of illegal discrimination, or classification.

For the reasons stated, I advise the affirmance of the judgment appealed from, with costs.

Parker, *C.J.*, and O'Brien, Bartlett, Haight, Martin, and Vann, *JJ.*, concur.

Judgment affirmed.

PROMISSORY NOTE—PROVISION FOR ENTERING JUDGMENT—NEGOTIABLE INSTRUMENTS LAW.

Supreme Court of Wisconsin, September 23, 1902.

WISCONSIN YEARLY MEETING OF FREEWILL BAPTISTS vs. BABLER.

A promissory note containing a power of attorney to enter judgment on it any time after date, whether due or not, is not negotiable under the Negotiable Instruments Law.

This action was brought to set aside the sale and transfer of a promissory note and mortgage, and to recover possession of the same. The note contained a power of attorney, which authorized a confession of judgment at any time thereafter, whether due or not.

WINSLOW, *J.* (after stating the facts): It is entirely clear from the evidence in the case and from the findings of fact that the note and mortgage in question were the property of the plaintiff corporation, and that no express authority had ever been given to Sears to sell them. These being the facts, the defendant, Babler, could acquire no title to the note by his transaction with Sears unless the note was negotiable paper, or unless Sears had either

the apparent ownership or apparent authority to sell it, so that the corporation would be estopped to deny the act. It is quite certain that the note was not negotiable, because by the power of attorney which it contained judgment could be entered upon it at any time after its date, whether due or not. Thus the time of payment depends upon the whim or caprice of the holder, and is absolutely uncertain. This deprives the note of its negotiability. (Bank vs. McGeoch, 73 Wis. 332; Kimball Co. vs. Mellon, 80 Wis. 133.)

Chapter 356 of the Laws of 1899 (the Negotiable Instruments Law) provides that the negotiable character of an instrument is not affected by a provision authorizing a confession of judgment if the instrument is not paid at maturity. (Section 1675-5, subd. 2.) Upon familiar principles of statutory construction this provision makes a note like the present non-negotiable.

CLAIMS AGAINST INSOLVENT TRUST COMPANY—INTEREST UPON PREFERRED CLAIM.

Court of Appeals of New York, November 11, 1902.

THE PEOPLE OF THE STATE OF NEW YORK vs. THE AMERICAN LOAN & TRUST COMPANY.

Upon the dissolution of a trust company, whose charter provides that the debts due by it as trustee and to Savings banks shall have a preference, interest ceases, as between the different classes of creditors, from the date of the appointment of a Receiver.

Interest is payable to all creditors, as against the company, if the assets are sufficient; but not to the preferred at the expense of the unpreferred creditors during the period of administration by the court.

This was an appeal by leave from the Appellate Division of the First Department, and the following questions were certified for decision: "Are the appellant Savings banks, or any of them, entitled to receive, before payment of any dividends of the unpreferred creditors, any interest upon their deposits, demands or claims against the American Loan and Trust Company? If so, which of the said appellants are so entitled, for what time or times, at what rate or rates per cent. per annum, and upon what basis of computation respectively?"

"Is the appellant, Thomas P. Wickes, as Receiver of Coffin & Stanton, entitled to receive before payment of any dividend of the unpreferred creditors any interest upon his claim against the American Loan and Trust Company? If so, for what time or times, at what rate or rates per cent. per annum, and upon what basis of computation?"

By the charter of the American Loan and Trust Company it was provided that "in case of the dissolution of the said company by the Legislature, the Supreme Court or otherwise, the debts due from the company as trustee, guardian, Receiver or depositary of money in court or of Savings banks' funds shall have a preference"(L. 1872, ch. 686; L. 1874, ch. 260, sec. 3).

On the final accounting taken before a referee the appellant Savings banks and Thomas P. Wickes, as Receiver of Coffin & Stanton, who were preferred creditors, claimed that they were entitled to interest at six per cent. upon the amount of their respective claims from the date when the insolvent corporation suspended business, and this claim was allowed by the Referee, but disallowed by order of the Special Term, which denied all interest upon the preferred claims either at the legal or the contractual rate. The order was affirmed, in this respect, by the Appellate Division, one of the justices dissent-

ing upon the ground that interest should be allowed at the rate provided by the contract. The claim of the preferred creditors, if sustained, would not only have exhausted the funds in the hands of the Receiver and have left nothing for the unpreferred creditors, but would have given them more interest than they had contracted for, or could have received if the company had not failed.

VANN, *J.:* As questions relating to interest are liable to arise so frequently in the settlement of the affairs of insolvent corporations, we adopt the broad, simple and just rule laid down in substance by the Appellate Division, that while interest is allowed as against the corporation itself, or its stockholders, if the assets are sufficient for the purpose, as between preferred and unpreferred creditors no interest is allowed after the law takes charge through the appointment of a Receiver.

A corporation is created by the edict of the Legislature and dies at its command. Knowledge is imputed to all who deal with it that when it suspends business the law takes charge of its affairs, liquidates its debts, converts its assets and distributes the proceeds among its creditors. Those who contract with it do so "with knowledge of the statutory conditions, and these must be deemed to have permeated the agreement and constituted elements of the obligation" (People vs. Globe Mut. Life Ins. Co. 91 N. Y. 174, 179; People vs. Security Life Ins. and Annuity Co. 78 N. Y. 115). The process of administration provided by law is through a Receiver, as the executive arm of the court. He is appointed for the benefit of all the creditors, both preferred and unpreferred, and holds the assets, under the direction of the court, in trust primarily for them and finally for the corporation or its stockholders. Thereupon by operation of law the creditors become the equitable owners of the assets and the administration of affairs is for their benefit as such.

The claims of creditors against the defunct corporation differ from their claims against its assets in sequestration, for they are not proved against the insolvent and dissolved nonentity, but against the fund in the Receiver's hands. In the distribution of that fund the general rule applicable to insolvent estates—that equality is equity, should prevail, so far as the statute, when reasonably construed, will permit. We agree with the learned Appellate Division that the statutory "provision was made with the intention that the preference should take effect at the time at which all claims against the corporation would be presentable, and that it was not the intention of the Legislature to allow either contractual interest or interest as damages to run on indefinitely through all the protracted proceedings that might continue, as they did in this case, for many years after the court took possession of the assets for the purpose of making distribution of them."

The claims of creditors are presentable when the receiver is appointed, and that date fixes their status and amount, regardless of when they are, in fact, presented. As we said in a recent case: "It is the day on which the court practically takes possession of the assets of the company for the purpose of distribution among its creditors, and consequently (that) is the day on which the rights of creditors should be ascertained and the value of their claims determined." (People v. Commercial Alliance Life Insurance Company, 154, N. Y. 95, 98.) In rendering judgment in that case we relied upon Matter of the Equitable Reserve Fund Life Insurance Association of the City of New York (131 N. Y. 354) and People *ex rel.* Attorney-General vs. Life and Reserve

Association of Buffalo (150 N. Y. 94). While these cases related to defunct life insurance companies, we think the principle upon which they rest is applicable to the case in hand.

As the statute does not say that preferred claims shall be paid with interest to the date of payment, the courts should not, because the claims of substantially all the creditors, both preferred and unpreferred, were alike in origin, for they were created by the deposit of money, and preferences in derogation of the common law should not be extended by construction beyond the express command of the statute. If the fund in the hands of the court could have been distributed on the same day that the receiver was appointed, no claim of interest could have arisen, for there would have been no delay and no suspension of legal remedies. The delay in distribution, however, was the act of the law itself, and was essential for various purposes, and among others to enable the creditors to prove their claims. "As a general rule, after property of an insolvent passes into the hands of a receiver or of an assignee in insolvency, interest is not allowed on the claims against the funds. (Thomas vs. Western Car Co. 149 U. S. 146.)

Interest should not run in favor of one creditor at the expense of another, while the law, acting for all, is administering the assets. If the assets are sufficient to pay all, including interest, it must be paid, for as against the corporation itself interest should be allowed before the return of any surplus to the stockholders. As between the creditors themselves, however, no interest should be allowed during the process of administration, and the delay necessarily resulting therefrom, because the assets are equitably their assets, the administration is for their benefit and the delay is necessary to enable them to take action to present their claims in proper form, as well as to enable the court to put the assets in shape for distribution.

As the decree of dissolution relates back to the day when the court took possession of the assets, the delay is not the act of omission or the corporation, which is *civiliter mortuus*, but is owing to the law, and hence should operate neither to benefit nor prejudice any creditor. Distribution should be made as of the date when the delay began, for it was not only caused by the law but was necessary for the protection of all classes of creditors. As between the creditors themselves, therefore, interest ceases to accrue upon their respective claims, whether preferred or unpreferred, from the day when the corporation let go and the court took hold. This rule is so simple and easy of application that it will not only tend to prevent litigation, but will stimulate all creditors to frown upon delay and to promptly call the receiver to account. It will not induce preferred creditors to rest easy in reliance upon the expectation that they will make money through the misfortune of the corporation, and, during the entire period of administration, receive interest at a greater rate than they had contracted for.

This rule is consistent with the provisions governing preferences as they appear not only in the special charter of the American Loan and Trust Company, already cited, but also in the General Banking Law (L. 1892, chap. 689, Sec. 130). The preference provided by the one is "the debts due," and by the other, "the sums of money deposited," and as both depend on the fact of dissolution or insolvency, both may properly be held to refer to the date when the event took place which brought the preference into action. On that date distribution should have been made, but as both the court and the creditors

required time, it should be made as of that date and upon the claims as they then stood.

No authority has been cited which should prevent us from laying down this useful and convenient rule. Questions relating to the allowance of interest upon preferred claims have usually been regarded as of such slight importance as to receive scant attention in the reported cases, and to rest upon the mere announcement of the result. When a question slips through the courts without discussion or anything to indicate deliberate judgment, the decision is not of great value as an authority, at least until it has stood the test of citation without criticism.

This was the method of decision so far as the question of interest was concerned in Upton vs. New York and Erie Bank (13 Hun, 269, 273) and Matter of Patterson (18 Hun, 221, 224). While we decided the latter case upon the opinion of the General Term (78 N. Y. 608), reference to that opinion shows an able discussion of a question not now material and a statement that no question was made in that court in relation to interest. If the question was not raised in the court below, we were at liberty to disregard it. We decided nothing but what the General Term decided, and as it did not pass upon the question of interest, because it was not raised, we did not.

The respondent, Euphemia A. Hawes, as executrix, complains that injustice was done her by the decision of the Appellate Division in not only denying her a preference, but also in excluding her even as an unpreferred creditor. So far as we can now see, the latter ground of complaint seems well founded, but as the person making it did not appeal to this court, and no question affecting her rights has been certified to us, we are unable to relieve her, and she must await the issue of another remedy.

The orders appealed from should be affirmed, with costs to the receiver, payable out of the fund, and to the other respondents, Mrs. Hawes, as executrix, excepted, payable by the appellants The direct questions certified should be answered in the negative, and the contingent questions should not be answered at all.

Parker, *Ch. J.*, O'Brien, Bartlett, Haight, Cullen and Werner, *JJ.* concur.

Ordered accordingly.

RATE OF DISCOUNT—WHEN NOT EVIDENCE OF BAD FAITH.

Court of Appeals of New York, October 7, 1902.

BANK OF MONONGAHELA VALLEY vs. WESTON, ET AL.

The fact that a bank discounts a note at the rate of seven per cent., that being its customary rate of discount, though the legal rate of interest in the State where the bank is located is six per cent., is not evidence of bad faith on the part of the bank in taking the paper.

This action was brought upon two promissory notes—the first for $6,500, dated December 15, 1892, payable four months from date; and the other for $5,000, dated March 31, 1893, payable thirty days after date. Both notes were made by Edwin F. Curtis to the order of and indorsed by Weston Bros., a firm composed of three brothers, then extensively engaged in business, and of unquestionable financial standing and credit. The plaintiff discounted these notes for the maker at the rate of seven per cent., paying to him the proceeds, and when due they were duly protested for non-payment.

The answer of Abijah Weston, one of the defendants, set up the defense: That on January 3, 1892, prior to the making or indorsing of the notes in question, the firm of Weston Bros. was dissolved; that neither of the notes in suit was made, indorsed, or discounted in, about, or on account of the partnership business, or the winding up of its affairs, but that his brother William W. Weston, another member of the firm, after the dissolution, fraudulently indorsed the paper in the firm name at the request and for the accommodation of the maker, and without the knowledge, consent, or authority of the other members of the firm—of all of which the plaintiff had notice when it discounted the paper.

O'BRIEN, *J.* (omitting part of the opinion): The plaintiff's counsel requested the court to charge that the discount of the notes at the rate of seven per cent., when the legal rate of interest in the State where the bank was located was but six per cent., is no evidence whatever of bad faith on the part of the plaintiff in discounting the paper, it appearing from the undisputed evidence that it was the plaintiff's usual rate of discount. The court refused to so charge, but left the question to the jury, and the plaintiff's counsel excepted. The question raised by this exception is one of law. The court was requested to hold that certain evidence was not competent to prove a certain material fact which was in issue between the parties. We think that the evidence did not prove or tend to prove the fact. The defense of usury was not interposed, and that question is not in the case. The sole question is whether the retention by the plaintiff of one per cent. in addition to the ordinary and lawful rate of discount was a circumstance to show bad faith on the part of the holder of the notes, or, in other words, to show that the plaintiff was not a *bona-fide* holder. It has been held that, when paper is purchased at half the face value, the price paid was a circumstance bearing upon the innocence or good faith of the purchaser. (Vosburgh vs. Diefendorf, 119 N. Y. 357.)

It may have been held in other cases that the retention of a large sum from the face of the note was a circumstance to be considered upon the question of bad faith in connection with other suspicious facts, but there the discount was at the rate of 15 to 18 per cent. (Bank vs. Diefendorf, 123 N. Y. 191.)

It has never been held that such an insignificant sum as one per cent., when retained, could, standing alone, affect the good faith of the transaction.

The case of Hall vs. Wilson, 16 Barb. 548, though undoubtedly a very extreme authority, does not go to that extent. Moreover, what was said in that case was in support of the defence of usury, where the note was never delivered or had any inception, but was stolen from the maker and purchased at a discount from the thief by the holder under circumstances tending to show negligence or bad faith. The case cannot, we think, be regarded as an authority to justify the trial court in refusing to charge the request now under consideration.

The rights of the holder of commercial paper, wrongfully or fraudulently put in circulation, were stated in a recent case in this court. (Cheever vs. Railroad Co. 150 N. Y. 59.) It was there held that the circumstances under which such paper is taken or purchased by a third party were to be tested by the simple rule of common honesty and good faith.

Applying the doctrine of that case to the one at bar, it is difficult to find anything in the record in the least suggestive of bad faith on the part of the

plaintiff when it discounted the notes in question. Such a large portion of the moneyed capital of the country is employed in making loans by discounting bills and notes that it would be a harsh and unreasonable rule to hold that, when a bank discounting commercial paper under such circumstances as the plaintiff discounted the notes in question attempts to collect it, a rate of discount, such as was reserved in this case, may be submitted to a jury as a circumstance to impeach the position of the plaintiff as a *bona fide* holder.

The judgment should be reversed and a new trial granted; costs to abide the event.

CONDENSED LEGAL DECISIONS.

BILLS AND NOTES—BONA FIDE PURCHASER—FRAUD—NOTICE—EVIDENCE.

Before the execution of a note for $100, a subsequent assignee thereof was asked by the payee as to the solvency of the maker, and replied that his note would be good. The assignee knew that the payee was a stranger, and was doing some kind of business in the locality. The maker resided about five miles distant from the town, and on the day the note was executed the payee returned to town, and assigned the note for a consideration of $30. *Held*, that the assignee had knowledge of facts sufficient to put him on inquiry as to the character of the note. The maker followed the payee to town, and, on ascertaining that the assignee held the note, informed him that he believed it fraudulent, and showed the assignee a contract between maker and payee, reciting the supposed consideration. *Held*, in an action on the note by the assignee, that it was error not to permit the contract in evidence.

In an action on a note by an assignee thereof, evidence tending to show that the payee, a stranger in the community, and known to the assignee to be engaged in some kind of business, was engaged in a fraudulent business, and had defrauded another person, whose note he had taken in the course of that business, and that those facts had been made known to the assignee before he purchased the note in suit, is admissible to show circumstances calculated to attract the assignee's notice.

Loftin, *et al.* vs. Hill, 42 S. E. Rep. (N. C.) 548.

BORROWING MONEY—ULTRA VIRES—PLEADING.

Act April 11, 1862, Sec. 10, declares it unlawful to contract any debt or liability against a Savings bank corporation for any purpose whatever, but its stock and assets shall be security to non-stockholding depositors. The act and Act March 12, 1864, amending it, give the corporation certain powers, but nowhere qualify the inhibition against incurring indebtedness, so as to allow it to borrow money to pay a deposit. *Held*, that a contract incurring such an indebtedness was *ultra vires*, and not enforceable as against non-stockholding depositors.

Laidlaw vs. Pacific Bank (McGowan, Intervener), 70 Pac. Rep. (Cal.) 277.

CHECKS—ACTION BY HOLDER—LIABILITY OF BANK.

In a cash sale of cotton the seller accepted the buyer's check in payment. The buyer sold a part of it to a third party, drawing his draft on him for the payment, and depositing it, with the bill of lading, to his credit in the bank

on which the check was drawn. The bank credited the draft to the buyer's account, and honored checks drawn by him, until his credit was reduced below the amount of the check held by the seller, without knowledge that he had bought the cotton on an agreement to pay cash. *Held*, that the seller could not maintain an action against the bank for the purchase money.

Perry vs. Bank of Smithfield, 42 S. E. Rep. (N. C.) 551.

DRAFT WITH BILL OF LADING ATTACHED—NEGLIGENCE IN DELIVERING GOODS WITHOUT PAYMENT—WAIVER OF NEGLIGENCE.

Where plaintiffs inclosed draft to defendant bank for collection, with bill of lading attached, for books shipped in care of defendant, with instructions to allow the drawee "ten days in which to examine the books," and defendant delivered the books at once to the drawee for examination, without requiring him to pay the draft, and defendant, upon the drawee's refusal, after ten days, to pay the draft or return the books, notified plaintiffs of that fact, and requested further instructions, plaintiffs, by replying that they had written the drawee to pay the draft at once, and that they were at a loss to understand his action, as their dealings with him theretofore had been satisfactory, waived defendant's negligence, if any, in delivering the books for examination without requiring payment of draft.

Flood vs. First Nat. Bank, 69 S. W. Rep. (Ky.) 750.

MUNICIPAL TAXES—NATIONAL BANK STOCK—UNEQUAL ASSESSMENT—PRESUMPTION OF OFFICIAL INTEGRITY—REVIEW IN EQUITY.

Equity will not restrain the collection of a tax on National bank stock imposed by New York city, though the stock was assessed at its actual value, while real estate was assessed at only sixty per cent., although the grievance cannot, under Laws 1882, c. 410, Secs. 819–821 (section 821 having been amended by Laws 1885, c. 311), be reached by certiorari, and no other legal remedy exists; it being presumed, in the absence of evidence, that the taxing officers acted honestly and impartially, and with no intention to unjustly discriminate, and the valuation as fixed by them being uniform with respect to each class of property.

Mercantile Nat. Bank of City of New York vs. Mayor, etc., of City of New York, *et al.* 64 N. E. Rep. (N. Y.) 756.

NATIONAL BANK—INSOLVENCY—COLLECTION OF ASSESSMENT—DEFENSES —LIMITATIONS.

A Receiver of a National bank of Texas sued a domestic stockholder to recover a second assessment levied on his stock, in 1898, by the Comptroller of the Currency. Defendant had paid an assessment levied in 1894. Had the Receiver collected all of such first assessment, and realized on the assets, all the debts as then existing might have been paid. It did not appear that he could not have done so. He had also sold a large amount of the assets for about nine per cent. of their face value under an order of the Federal courts. *Held*, that these facts constituted no defense.

Under Code Civ. Proc. Sec. 394, providing that an action against a stockholder of a banking association to enforce a liability created by common law or by statute must be brought within three years after the cause of action

accrued, a cause of action against a stockholder in an insolvent National bank does not accrue until the Comptroller of the Currency declares the entire liability or the particular portion of it to be due, and does not begin to run from the time the bank suspended payment, but from the time when the Comptroller levied an assessment against the stockholders.

Beckham vs. Hague, 78 N. Y. Supp. 79.

FRAUDULENT CONVEYANCE—NOTES—CONSIDERATION—KNOWLEDGE OF HOLDER.

Notes and a mortgage securing them, given without consideration, and one of the notes executed for the purpose of hindering and delaying the creditors of the maker, with full knowledge of the payee, will not be enforced as between the parties.

Where an agent of a bank has notice that notes and a mortgage securing them were without consideration and fraudulent, the bank cannot hold the notes as collateral, it being charged with the knowledge of its agent.

Balwin, *et al.* vs. Davis, *et al.* 91 N. W. Rep. (Iowa) 778.

NEW YORK CLEARING-HOUSE—CONSTRUCTION OF CONSTITUTION—CERTIFICATION BY MISTAKE.

The constitution of the New York Clearing-House provides that all checks, drafts, or items in the exchanges reported as not good or missent shall be returned the same day to the bank from which they were received, and the said bank shall immediately refund to the bank returning the same the amount which it had received through the clearing-house for said checks, drafts, or items so returned. A later provision requires, in case of failure of any bank to promptly refund to the bank holding paper returned as not good, that such bank report the fact to the Manager of the clearing-house, who shall thereafter, with the approval of the clearing-house committee, readjust the clearing-house statement, and declare the correct balance between such banks, provided such report be rendered before one o'clock of the same day. *Held*, not to repeal the first provision, so that a bank charged by the clearing-house with the amount of drafts or checks returned as not good can allow such charge to stand against it in the account of the clearing-house, and seek reclamation directly from the bank required to refund such amount under the direct rules of the clearing-house.

Where a bank by mistake certified at the request of another bank that a note payable at it was good, but, on discovering its error, on the same day notified the bank holding the note of the error, and requested it to erase the certification, and the latter bank, in spite of such notice, sent the note to the clearing-house, where it was charged to the account of the clearing bank, an agent of the bank at which said note was payable, and the bank which had certified the note tendered a return of it immediately to the bank which had sent it to the clearing-house and its clearing bank, and demanded repayment, it may sue to recover such amount from the bank receiving it from the clearing-house, without an application to the Manager of the clearing-house for a resettlement of the accounts, its failure so to do not rendering the payment voluntary.

Mt. Morris Bank vs. Twenty-Third Ward Bank, 64 N. E. Rep. (N. Y.) 810.

CASHIER—SURRENDERING BOND—AUTHORITY—RATIFICATION—CONSIDERATION.

In an action against the surety on a bond given to a bank to indemnify it against all discount, etc., of the paper of a certain corporation, the defense was that the bond had been surrendered and canceled, and another one taken, and plaintiff denied the authority of the Cashier to surrender the bond. A by-law of the bank gave the Cashier general charge of the books, papers and property, subject to the direction of the officers. The plaintiff's President testified that the Cashier generally determined the rate of discount, etc., and looked after the securities, and a director testified that the Cashier had general charge of the lending of money. *Held*, that the Cashier had authority to cancel the bond.

In an action against the surety on a bond given to a bank to indemnify it against all discount, etc., of the paper of a certain corporation, the defense was that the bond had been surrendered, and another one, in a larger sum, taken, and plaintiff denied the authority of the Cashier to surrender the bond. The President and a co-director testified that they did not know that a new bond had been accepted as a substitute for the old one, but it appeared that all the bank officials knew that the corporation's discounts were in excess of the amount secured by the first bond, and the bank, in endeavoring to recover for the discounts, sued on the second bond first. *Held*, that the Cashier's action had been ratified.

In an action by a bank on a bond given to it to indemnify it against loss on discounts for a certain corporation, the defense was that the bond had been surrendered, and another one, in a larger sum, taken, owing to impairment of the corporation's credit, but plaintiff contended that there was no consideration for the surrender. It appeared that defendant had signed the second bond on an understanding that the bank Cashier would also do so, but the Cashier failed so to do, and the bond was in fact of no value. *Held*, that the surrender by defendant of his right to insist that the corporation make a settlement with the bank under the first bond was a sufficient consideration for the surrender thereof.

German-American Bank of Tonawanda vs. Schwinger, 78 N. Y. Supp. 38.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B. A., LL. B.; Barrister, Toronto.]

PROMISSORY NOTE—CONSIDERATION—NOTE GIVEN AS RENEWAL—PROOF.

ROSS, Appellant, vs. THE WESTERN LOAN AND TRUST CO., Plaintiffs (Quebec Reports, II King's Bench, page 292, on appeal from Superior Court).

STATEMENT OF FACTS: This was an action by the Western Loan and Trust Company, in liquidation, to recover the sum of $10,674.43, the balance due on a promissory note in its favor made by the defendant, Ross, under the following circumstances: In September, 1898, W. Barclay Stephens & Co. were indebted to the plaintiffs in the sum of $27,884.10. On September 9 this debt was adjusted by the payment by W. Barclay Stephens of $284.10 and the delivery of two promissory notes at three and four months respectively for $13,800 each, made by the defendant signing as "Ross & Co." to the order of Stephens. The company accepted this payment and these notes in

payment of Stephens & Co's. debt. One of the notes was kept renewed from time to time before maturity, and its history is easily traceable in the company's books. The other was neither paid nor renewed at maturity, but on November 30, 1899, the interest due on it was paid by Stephens and the note renewed by a new note for $13,800 made by the defendant, Ross, payable to the plaintiff's order at twelve months for value received.

This last bill is the one sued upon, credit having been given for $4,266.23 realized from the sale of some collateral securities. Ross defended on the ground that plaintiffs were aware that he gave the note merely for accommodation, and that they had given him no consideration which could support the note.

The Superior Court gave judgment for the plaintiffs.

JUDGMENT (Sir A. Lacoste, *C. J.*, Bosse, Blanchet and Hall *JJ.;* Quimet, *J.* dissenting., Hall, *J.* delivering the judgment of the Court of King's Bench): The appellant's written obligation in the form of the promissory note sued upon in this case, in which he acknowledges to have received value from respondent's company to the extent of $13,800, and undertakes to repay it, creates a presumption against him which would require positive and substantial evidence to destroy (2,285, C. C.). He pleads that the note was given purely to accommodate the respondents, and that he received no consideration or value for it. The respondents admit that they paid no cash consideration to appellant, but allege that the note was given in partial renewal of a previous one for a similar amount, which appellant executed in favor of one W. Barclay Stephens, and which was endorsed and transferred to respondents, with another for a like amount, in settlement of the overdrawn account of said Stephens, who was their general manager. The death of Stephens prevented his examination as a witness, but the evidence of other officials of respondent's company established that the two $13,800 notes were regularly delivered to said company at their date, and their whole history is traceable in the books of the company in which they were entered as being their property. The prior indebtedness of Stephens has been represented by a note in favor of the company for $27,884, dated on May 31, 1898, and payable in six months, and, according to the respondents' cash book, was paid before maturity, namely, on September 9, 1898, by a check of said Stephens for $284, and the balance of $27,600 by the two notes of appellant for $13,800 each, payable, as above stated, to the order of Stephens, one in three and the other in four months from their date. The one at four months, payable on January 9, 1999, was not paid at maturity, but by the company's books appears to have been settled on November 30, 1899, by the payment in cash by Stephens of $1,185.66, the exact amount of overdue interest, and a new note of appellant in favor of the company for a like amount as the previous one, $13,800, payable in twelve months from its date. It is this note which forms the basis of the present action.

In support of the action, we have appellant's written acknowledgment of indebtedness to the company and his promise to pay it; in defence to it, appellant's deposition that some of the previous notes of this series were brought back to him by Stephens, marked "paid," and destroyed, and that some interval of time, days, or perhaps a month, intervened before he was called upon by Stephens to execute the note now sued upon. It is admitted that the first notes of $13,800 given by Ross were payable to the order of Stephens

and by him delivered to the company respondents. Ross is not certain whether the first renewals were in the same form or like the one now in issue, payable directly to the company; but his argument is this: "The previous note having been taken up by Stephens, delivered to me and cancelled some time prior to my signing the present one, the latter cannot be treated as a renewal of or identified in any way with the previous note I gave to the order of Stephens, and inasmuch as I received no value from the company for the present note, it is null for lack of consideration, and the action upon it should be dismissed."

The judgment *a quo* dismissed this plea and maintained the action, holding that the connection between the several notes was established, and that the first one, made payable to the order of Stephens, having been delivered to the company for value, viz., in settlement of the company's valid claim against Stephens, appellant's plea of want of consideration was of no avail. I am of opinion that that judgment is correct. I doubt the right of appellant to seek to invalidate his formal written obligation to the company by verbal evidence (C. C. 1234); but even if this were admitted, it consists of his own statement only, giving a very vague and unsatisfactory history of the transactions. He does not know whether the first renewal of the $13,800 note was made, like it, payable to the order of Stephens, or, like the present one, directly to the company. He cannot establish what note was surrendered to him, nor when, and the only evidence we have, therefore, upon this vital point of the defence, an interval of time between the cancellation of the previous note and the execution of the present one, is the unsupported, vague recollection of the appellant seeking relief from his own obligation. Against it, we have the consecutive, uninterrupted series of dates in the respondents' books in regard to this transaction, and the natural probability that the company would not have surrendered its valid obligations against the appellant until put in possession of equally valid renewals of them.

The only possible doubt in the matter is the company's inability to prove now that the first note payable to the order of Stephens bore his endorsement. There is no proof that it did not, but the Cashier, Michaud, cannot undertake after all this interval of time to swear positively that it did bear that endorsement. The proof is clear, however, that it was delivered to the company, and was in Michaud's possession as the company's Cashier. The natural, and I think legal, presumption is that the transfer to the company was regularly and properly made, and this presumption is, in my opinion, settled in favor of the company by the subsequent execution by the appellant of the present note given by him for value received and payable directly to the company. It seems to me to be a legal and sufficient admission on his part that the company had been the lawful holder of his previous note, of which this was, in part, a renewal.

I think the appeal should be dismissed.

BILLS OF EXCHANGE—NOTICE OF DISHONOR—HUSBAND AS WIFE'S AGENT —KNOWLEDGE OF HUSBAND—FORM OF NOTICE.

COUNSELL vs. LIVINGSTONE (4 O. L. R. page 340).

STATEMENT OF FACTS: This was an appeal to the Court of Appeal for Ontario from the judgment of Falconbridge, *C. J.*

An agreement had been entered into between the late C. W. Counsell and

T. C. Livingstone, arising out of land deals in Winnipeg whereby Counsell undertook to discount T. C. Livingstone's note for $3,500 at three months, endorsed by W. C. Livingstone and Charlotte E. Livingstone, and renewals thereof at three months, but so that the last renewal should fall due not more than four years from the date of the agreement.

A renewal note fell due on March 20, 1901, and on the 21st the following notice was sent to W. C. Livingstone, but no notice was sent to Charlotte Livingstone or to W. C. Livingstone expressed to be for her:

"I beg to advise you that Mr. T. C. Livingstone's note for $3,500 in your favor and endorsed by yourself and wife and held by our estate was due yesterday. As I have not received renewal, will you kindly see that same is forwarded with check for discount, as there is no surplus on hand."

The defendants, W. C. Livingstone and his wife Charlotte Livingstone, defended this action on the ground that there had been no notice of dishonor to them as endorsers.

JUDGMENT (Armour, *C. J. O.*; Osler, Maclennan, Moss and Garrow, *JJ. A.*): Two questions are involved in this appeal:

1. That the notice of dishonor was insufficient.
2. That the defendant W. C. Livingstone was not the agent of his wife, Charlotte Livingstone, to receive the notice.

With respect to the second question the court held, not as a matter of law but on the evidence in this case, that the husband was the wife's agent to receive the notice, and continued: "Nor do we agree with the argument addressed to us, that even if the husband were the wife's agent there should still have been a separate notice for her sent to him in addition to his own notice. By the Bills of Exchange Act 1890, Sec. 49 (*h*), the notice may be given to an agent and, by Sec. 49 (*e*), may be either verbal or in writing. A verbal notice to an agent who happens also to be an endorser, would certainly not require to be repeated in order to affect his principal. And we can see no greater reason, in the case of a written notice, for a vain repetition. Notice is merely knowledge and the knowledge conveyed by the single notice to the agent at once becomes in law the knowledge of the principal with all its consequences.

As to the question of the sufficiency of the notice in point of form, I have after a careful examination of many authorities come to the conclusion that it is sufficient. In Bailey vs. Porter (11 M. & W. 44) the holder of the bill was a banker at whose bank the bill was payable, a circumstance which has frequently been held to modify the requirements of the notice. But this case can not be distinguished from that of Paul vs. Joel (3 H. & N. 455) where it was unanimously held that this notice was sufficient. 'B's acceptance to J., £5,000, due January 12, is unpaid. Payment to B & Co. is requested before four o'clock.'

It is true that the notice here does not precisely say that the note is unpaid, but one must remember the circumstances. The note was one of a series originally intended according to the agreement, to run, if necessary, for four years with renewals every three months. The four years had not expired when this note became due. Under these circumstances it seems to me that the notice in question informing the defendants that the note was due yesterday and to send renewal expenses was a plain notice that the note was un-

paid and that payment in one way or another was requested, which seems to be all that is required."

Appeal dismissed with costs.

SPECIAL ENDORSEMENT—NOTE PAYABLE AT STATED PLACE—DULY PRESENTED.

UNION BANK OF HALIFAX vs. WURZBURG & CO., LT'D. (9 B. C. R., p. 160).

STATEMENT OF FACTS: This was an appeal from Irving, *J.*, granting summary judgment. The writ of summons was endorsed: "The plaintiffs' claim is against the defendant as the maker of a promissory note for $1,250, dated at Vancouver, B. C., April 8, 1901, payable four months after date to the order of M. L. Wurzburg & Co., at their office, Halifax, N. S., endorsed to the order of the said plaintiffs by the said M. L. Wurzburg & Co., and held by the plaintiffs in due course, which said note was duly presented for payment and was dishonored."

It was argued that this endorsement was defective, inasmuch as it did not allege presentment for payment at the place stated in the note for payment.

JUDGMENT (Hunter, *C.J.*, Drake and Martin, *JJ.*): The writ is sufficiently endorsed with a good special endorsement. "Duly presented" is a standard expression, meaning presented at the time and place when and where payment is due. The appeal must be dismissed.

SUCCESSION DUTY—MONEY ON DEPOSIT IN BANK BY FOREIGNER—B. C. STATUTE, 1899, CAP. 68, SEC. 4.

IN RE SUCCESSION DUTIES ACT AND *IN RE* ESTATE OF SCOTT McDONALD (9 B. C. R. p. 174).

STATEMENT OF FACTS: In April, 1900, one Scott McDonald, being domiciled in the State of Washington, died at Spokane, leaving, *inter alia*, the sum of $375,579.73 on deposit in the Bank of Montreal at Nelson, B. C., which money he disposed of by his will. The will was probated at Spokane in May, 1900, and in British Columbia in July, 1900

Cap 68 of the British Columbia Statutes 1899, Sec 4, imposes succession duty on "all property situate within this Province and any interest therein or income therefrom, whether the deceased person owning or entitled thereto was domiciled in British Columbia at the time of his death or was domiciled elsewhere, passing either by will or intestacy."

The registrar of the county court at Rossland fixed the sum of $12,412.98 as the amount of succession duty payable. Walkem, *J.*, dismissed an appeal from the registrar, and this further appeal was taken to the full court.

JUDGMENT (Hunter, *C. J.*, Drake and Martin, *JJ.*): The decision is a careful consideration of the law in respect to probate and succession duties and of the cases of Harding vs. Commissioner of Stamps for Queensland, 1898 Appeal Cases, 769, and Attorney-General for Ontario vs. Newman, 10 L. R. 511, as affected by the peculiar wording of the interpretation clause of the British Columbia statute. The reasoning can hardly be of importance to the banking community, who are concerned only with the result. The court unanimously decided that money on deposit in a bank in British Columbia though the property of a foreigner domiciled and dying outside of the Province, is subject to succession duty. (See note on next page.)

NOTE.—A recent decision (just cabled from London) of the Privy Council held that the Succession Duty Act of the Province of Quebec does *not* render liable to succession duty the bank deposits or other personal property in Quebec of foreigners domiciled outside the Province.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

A reasonable charge is made for Special Replies asked for by correspondents—to be sent promptly by mail.

WHAT IS INCLUDED IN CASHIER'S MORTGAGE TO COVER SHORTAGE.

Editor Bankers' Magazine: ALBANY, N. Y., November 28, 1902.

SIR: When a shortage was discovered in one of our country banks the Cashier admitted that he had used a part of the money, offered to make up for all he had taken, claimed that he had paid part back, and expressed his willingness to make good anything for which he was directly or indirectly responsible. As a result of negotiations he gave a mortgage to secure the performance of an agreement in writing, that if after further investigation there should be found to exist any indebtedness from him to the bank he would pay the same. Subsequently it was discovered that one of the clerks had appropriated some of the missing cash and that the Cashier had aided this. The bank then claimed that the Cashier was liable for this money and that the mortgage secured its repayment. Is this so? Can the bank hold the property for this loss? F. L. D.

Answer.—Yes. The Cashier's mortgage secures all that the bank lost by his connivance or culpable neglect.

PROPRIETY OF NOTE INCREASING THE RATE OF INTEREST AFTER MATURITY.

Editor Bankers' Magazine: LINCOLN, Neb., November 20, 1902.

SIR: A farmer near here had an auction and took some notes for the price of some of the goods which were sold. All of these had a provision for an increase in the rate of interest if the notes were not paid when due. That is, they were drawn for six per cent., but if they were not paid when due they were to draw ten per cent. Some one here has said the extra four per cent. cannot be collected, and I want to know how that is. In the bank here we have been taking that sort of notes right along with the idea that the maker would be more prompt in paying under such circumstances. L. P. C.

Answer.—We do not consider that the extra percentage imposed for non-payment at maturity can be collected. Your supreme court seems to regard the extra rate as a penalty; and, since the law does not favor penalties, refuses to enforce it, unless it only applies to the period after maturity, but if it is to be an increased percentage from date of the note it will not be enforced.

RIGHT OF A HOLDER OF A STOLEN BANK BILL.

Editor Bankers' Magazine: NORWALK, Ohio, November 28, 1902.

SIR: Some question has arisen here in regard to the right of the holder of a stolen bank bill. I have insisted that if the true owner can identify it he can take it wherever he finds it. The Casher, however, contends that it is like any note or check, that if passed in some business transaction in good faith the holder has a good title. Which is right, or are we both wrong? PRESIDENT.

Answer.—One who takes a bank bill, even from a thief, for value in due course of business or in good faith, can hold it against all the world. The point for which you are contending would undoubtedly prevail as to any species of property except negotiable paper. For example, if a horse was stolen the true owner could retake it from any one. The case is different, however, as to what are called negotiable instruments. These are designed

to pass freely from hand to hand as money. Especially is this true of bank bills, for they are money in every essential particular and certainly the rule of the law merchant protecting those who take in good faith, for value and without notice, should be extended to *bona fide* purchasers of bank bills.

ORAL AGREEMENT TO PAY AN INCREASED RATE OF INTEREST.

Editor Bankers' Magazine: STILLWATER, Minn., November 3, 1902.

SIR: Supposing I should have a note drawing seven per cent. and when it came due the maker should come to me and say, "let the matter go for a few days and I will pay it with eight per cent.," and that I should let it go. Could I collect eight per cent? H. W. W.

Answer.—No. You could only collect the seven per cent. It is the law in Minnesota that there must be a written contract to pay a higher rate of interest than seven per cent., and the courts refuse to enforce oral contracts for the increased rate. It is also probable that a mere writing not signed by either party would be insufficient and that the contract would have to be signed by the party to be bound, or his authorized agent.

RIGHT OF TRANSFEREE TO RECOVER ON CHECK PROCURED BY FRAUD.

Editor Bankers' Magazine: OTTUMWA, Ioa., November 3, 1902.

SIR: One of our customers bought a horse and gave his check for the price. Shortly afterward he found that he had been swindled and that the horse had very serious faults. He immediately notified us not to pay the check, but a day or two later it was presented, not by the seller of the horse but by a third party. When payment of the check was refused an explanation was demanded, and when the facts were related to the holder of the check he denied any knowledge of the circumstances and said he took the check partly in payment for goods and partly for cash. Under these circumstances are we bound to pay the check?

TELLER.

Answer.—Yes. Fraud or false representations on the part of the payee in obtaining a check will not prevent a *bona fide* purchaser of it recovering from the bank.

RIGHT OF TRANSFEREE TO RECOVER ON CHECK WHICH WAS LOST BY THE INDORSEE.

Editor Banker's Magazine: SCHENECTADY, N. Y., November 9, 1902.

SIR: One of the shops here pays its men in checks. An employee took one of these home and turned it over to his wife, merely writing his name across the back. During the week she started down town to trade. After she had been in one store and had done some trading she left and went into another. She bought some goods there, but on reaching for her pocket-book found that it was gone. She went back to the store which she had just left, at once, but could not find the pocket-book. She notified our bank, and the next day the check was presented. We investigated the matter promptly and found that the check was in the hands of a wholesale liquor dealer who had it from a retailer who had taken it for very much less than its face value in payment for liquor furnished a local "tough." The wholesaler, however, took it in settlement for the weekly balance due him from the saloon-keeper for liquors delivered during the week. The question now is whether we can pay the check to the wholesale dealer, or rather whether we can credit it on his account or whether we can safely refuse to pay it? A. B. V.

Answer.—You are doubtless bound to pay the check to the one who presented it. The rule is, that although a check has been lost or stolen, if it was indorsed in blank the *bona fide* purchaser of it for value will be protected. It is altogether clear that your customer is a holder for value. The courts in this country are not in entire harmony as to what will constitute value to make the holder of negotiable paper a *bona fide* purchaser; but there is an old decision in your State which has been followed generally since, that one who takes negotiable paper in payment or as collateral security for an ante-

cedent debt takes for value. From this it is plain that your customer took for value and if he took without notice, as we infer he did, you must credit the check on his account.

ACCEPTANCE PAYABLE IN DIFFERENT TOWN.

Editor Bankers' Magazine: RIDGEWOOD, N. J., October 29, 1902.

SIR: Should a bank at which a draft is accepted payable be located in the same place where the drawers are addressed in order to hold the makers and endorsers? If so, supposing there were no bank in the same town, would a bank in the nearest town be acceptable?

F. Z. B.

Answer.—Yes. An acceptance payable at another city or town would so vary the terms of the instrument that the drawers and endorsers would be discharged. (Walker vs. Bank of the State of New York, 13 Barb. 636; Troy City Bank vs. Lanman, 19 N. Y. 477.) If there is no bank in the same place, the acceptor should make the acceptance payable at his residence or place of business there.

POST-DATED CHECK—PRESENTMENT.

Editor Bankers' Magazine: SEDALIA, MO., November 24, 1902.

SIR: A check dated November 17, 1902, was presented for payment on November 14. Should payment be made on demand, or refused till the 17th? If refused, should it be protested for non-payment on the 14th or 17th? CASHIER.

Answer.—Where a check is post dated, it is payable on demand *on or after* the day on which it purports to bear date (Mohawk Bank vs. Broderick, 10 Wend. 304). And presentment before such date is a nullity, and in sufficient to charge an indorser (Salter vs. Burt, 20 Wend. 205). Hence, in the case stated in your inquiry, the bank had no authority to pay the check on November 14, and presentment on that day was ineffectual for any purpose. Nor could the check be protested without a subsequent demand made on or after November 17, the date of the check, and a protest based upon the presentment of the 14th would not charge an indorser. (See Salter vs. Burt, above.)

PRESENTMENT OF NOTE AT BANK.

Editor Bankers' Magazine: PLATTSBURG, N. Y., November 10, 1902.

SIR: We received a note for collection from a bank in another city and presented it at the Bank of A, where it was made payable, the day it was due at one o'clock, the usual time at which we make our daily exchanges. The said bank refused payment, and returned it again to us unpaid at 1:15. The depositor claims to have deposited sufficient funds with his bank between the time at which the bank refused payment and three o'clock. Were we obliged to present again before three o'clock at the said bank before protesting? Or would you consider that we were justified in protesting the note at three o'clock without again presenting it to the bank for payment? CASHIER.

Answer.—We think that one presentment of the note was sufficient, and that your bank acted properly in protesting the same. The only respect in which presentment in case of paper payable at bank differs from ordinary cases is that in the former presentment must be made during banking hours, whereas in the latter it may be made at any reasonable hour. (Negotiable Instruments Law, Sec. 132, 135.) The language of the statute is: "Where the instrument is payable at a bank, presentment for payment must be made during banking hours." But this would permit presentment at one o'clock quite as well as at three o'clock. It is no more necessary to make a second presentment of a note payable at bank than to so present a note payable at any other place. We think also that your bank need not have waited until

three o'clock to protest the note, but might properly have done so as soon as it was returned unpaid; for the provision of the statute, which applies in all cases, no matter where the paper is payable, is that "notice may be given as soon as the instrument is dishonored." (Negotiable Instruments Law, Sec. 173.)

CHECK AS ASSIGNMENT OF FUND.

Editor Bankers' Magazine: CORTLAND, N. Y., November 19, 1902.

SIR: Referring to the question of J. M. R. and your reply thereto in your November number, while admitting the liability of a bank to the drawer of a check, does not your decision in regard to holder conflict with article 17, section 325, of the Negotiable Instruments Law? C. S. B.

Answer.—The answer referred to was made in reply to a question from a bank in Nebraska, in which State the rule prevails that the drawing and delivery of a check amounts to an equitable assignment *pro tanto.* (Fonner vs. Smith, 31 Neb. 107.) Such rule is contrary to that which has always prevailed in New York. (Attorney-General vs. Continental Life Insurance Co. 71 N. Y. 325, 330), and contrary to that which now exists in all States which have adopted the Negotiable Instruments Law.

LIABILITY OF THOSE SIGNING AS TRUSTEES.

Editor Bankers' Magazine: WILMINGTON, S. C., October 31, 1902.

SIR: Supposing certain parties who are trustees under a will buy property which is granted to them as trustees, and then give a mortgage as trustees without adding the word "trustees," are the signers personally liable? M. J. G.

Answer.—We believe them personally liable. When a man signs an undertaking to pay money he may not change and claim that he bought as an agent or trustee unless the promise shows the capacity in which he acts. Even when he adds his title it is generally held that it is mere matter of description, and he will be liable personally. Thus when an agent signs a note, H. K. "agt." or "agent," or "agent for F. G.," H. K. will be personally liable, for the "agt." or "agent," or "agent for F. G.," will be treated as mere matter of description; but if he signs F. G. by "H. K., his agent," or "H. K., agt.," he will bind F. G. and will not be personally liable. The reason for this is that the first name is the signature, and all that comes after cannot affect it. The matter is closed. The promise is complete when the signature is affixed, and anything which comes after and is not a necessary part of it should not affect it.

Financial Legislation Desirable.—Interest rates are a potent factor in business activity, and in order that these rates may be equalized to meet the varying needs of the seasons and of widely-separated communities, and to prevent the recurrence of financial stringencies, which injuriously affect legitimate business, it is necessary that there should be an element of elasticity in our monetary system. Banks are the natural servants of commerce, and upon them should be placed, as far as practicable, the burden of furnishing and maintaining a circulation adequate to supply the needs of our diversified industries and of our domestic and foreign commerce; and the issue of this should be so regulated that a sufficient supply should be always available for the business interests of the country.

It would be both unwise and unnecessary at this time to attempt to reconstruct our financial system, which has been the growth of a century; but some additional legislation is, I think, desirable. The mere outline of any plan sufficiently comprehensive to meet these requirements would transgress the appropriate limits of this communication. It is suggested, however, that all future legislation on the subject should be with the view of encouraging the use of such instrumentalities as will automatically supply every legitimate demand of productive industries and of commerce, not only in the amount, but in the character of circulation; and of making all kinds of money interchangeable, and, at the will of the holder, convertible into the established gold standard.—*President Roosevelt's Annual Message.*

COMMERCIAL PAPER WITHIN THE MEANING OF SECTION 5200 OF THE UNITED STATES REVISED STATUTES.

Section 5200 of the United States Revised Statutes reads as follows:

"The total liabilities to any association, of any person, or of any company, corporation, or firm, for money borrowed, including in the liabilities of a company or firm the liabilities of the several members thereof, shall at no time exceed one-tenth part of the amount of the capital stock of such association actually paid in. But the discount of bills of exchange drawn in good faith against actually existing values, and the discount of commercial or business paper actually owned by the person negotiating the same, shall not be considered as money borrowed."

The question often arises, What constitutes "commercial paper" upon which the ten per cent. restriction is withdrawn?

There seems to be a diversity of ideas upon this point, some taking the position that paper given for a loan of money should be considered in that category, and "Pratt's Digest" is usually referred to as authority for this position. On page 93, under the caption "Intent of Restriction," is an extract from an opinion by the New York Court of Appeals in the case of the Second National Bank of Oswego vs. Burt (93 N. Y. 233), which reads as follows:

"The object of this provision of the Currency Act was to guard National banks from the hazard of loaning money in improvident amounts upon speculative and accommodation paper, but it contemplated and permitted, to an unlimited amount, the discount of paper used and required in facilitating the transfer of property and money in the transaction of the legitimate business of the country."

The clause especially referred to here is that containing the words "the transfer of property and money," which is held by some to mean that paper given for a loan of money should be exempt from the ten per cent. restriction.

But let us analyze this opinion of the court. If the opinion had read "property *or* money," it is easy to see that the intent of the court would have been totally different from its expression "property *and* money." In the latter there is apparently a good reason for thus connecting the two words property and money. To arrive at the true solution it is necessary to take the history of the case, which is as follows:

There were three firms, A. S. P. & Co. in Canada, P. & Co. in Oswego, N. Y., and W. & Co. in Albany, N. Y., composed of virtually the same partners. They dealt in lumber, the first two handling the raw and manufactured product, and the last firm being the selling agent. The first two, who were the consignors, shipping their product to the latter, who was the consignee. The consignors drew drafts on the consignee against the product held by him, or the proceeds of sales, and these were discounted at the bank of the consignor.

As the extract from the opinion of the court, as reported in "Pratt's Digest," is only a very small portion of that given, and hardly enough to show the intent of the court, I will give here a more extended extract, which I think will clearly show the position taken by the Judge:

"It is evident that the firm of W. & Co., as the general consignees of the lumber sent forward for market, would ultimately be the recipients of the great bulk of such property, and come into possession of the proceeds of its sales. The firms of A. S. P. & Co., and P. & Co., on the other hand, would appear from the course

of business to be those who would primarily become liable for the cost and expense of buying and manufacturing the lumber, and fitting and forwarding it to market, and the financial inequality which would necessarily and constantly result from this course of business could be corrected only by drafts drawn by the consignors upon and payable by the consignees, or the remittance of funds effected in some other manner. We think, therefore, that the drafts in question came within the meaning of that clause of the National Currency Act providing that *bona fide* bills of exchange drawn upon actual existing values should not be subject to the prohibition against banks lending money to a single person or firm in excess of one-tenth of their capital. We think it entirely immaterial whether such bills are accompanied by a specific bill of lading in each case or drawn against property previously consigned, and existing either in its original form or in the shape of proceeds of sales in the hands of the consignees. In either case the funds have already been provided by the drawer in the hands of the drawees to meet the requirements of the obligation."

It will be seen by this that there was a just and specific reason for the use of the words "property and money" as employed by the court, also for the immediate connection of the two terms, for it is apparent that the consignees held property in the shape of unsold lumber and money in the shape of the proceeds of sales, and it was against this combination of property and money that the consignors drew their drafts, which drafts were discounted by the bank.

It is evident, therefore, that the word money as used in this case had no reference whatever to paper given for a loan.

The Comptroller of the Currency holds, as shown by official correspondence on this subject with the banks, that "commercial or business paper," within the meaning of Section 5200 of the United States Statutes, is paper given by the makers in payment for some commodity, and not for accommodation, and must bear the endorsement of the party or parties to whose order it was originally drawn, otherwise the purchase or discount of such paper would amount to a direct loan to the maker of the paper and be subject to the limit. Paper given for a loan of money is held not to be business or commercial paper.

Geo. Walker, a prominent financier and writer says: "The first and most important function of a bank is by the use of the capital which it controls to bridge over the periods of credit which necessarily intervene between production and consumption, in such a manner as to give back to each producer or middleman as quickly as possible the capital invested by him in such productions. The safety of the bank lies in the fact that each loan of the character described is based on property of intrinsic value, and it is the property which in the last resort pays all loans predicated upon it."

"Durkee on Banking" states: "The producer requires additional capital to carry his wares until sold, and the buyer requires credit to enable him to carry the goods until sold, but a sale on credit is no better than carrying the goods, and the producer must have some money to produce other goods. He must obtain money on the property sold. He cannot pledge the property, for it is sold and the possession vested in another, but he can pledge that which represents the property, the buyer's written promise to pay at a certain specified date. In other words, he goes to a bank and discounts the buyer's paper and with the money thus advanced by the bank he goes on with his business. This is probably the highest function of a bank in serving the commercial world.

Loans on personal security and accommodation paper unsecured by collaterals, and which do not represent any business transaction, are speculative loans."

It will be seen therefore that commercial paper consists of promissory notes or bills of exchange, which represent some actual purchase or sale of a commodity, and grows out of and is the evidence of a commercial transaction. This was evidently the intention of the law, that the wheels of commerce should not be impeded. It will also be seen that while commercial paper may be a promissory note, yet all promissory notes are not commercial paper, notably a note given for a loan of money.

A. R. BARRETT.

*THE PRACTICAL WORK OF A BANK.

DISCOUNTS, LOANS AND INVESTMENTS.

IV.

The corner stone of every bank is its loans and investments. The writer will discuss this subject from the standpoint of a western banker who handles farmers and stock-growers' paper.

A large per cent. of the banks of this country are capitalized at from $25,000 to $100,000 each. In organizing one of these banks, a county seat town should be selected, if possible, and the stock should be held by persons residing in the community where the bank transacts its business. A large per cent. of the success of any bank depends upon its officers. In agricultural regions the President is not always an active officer working behind the counter, but is usually engaged in other lines of business.

The President should be selected from the most prominent business men or most prosperous farmers in the community and should be a man of considerable means and well-known integrity.

Very much will depend upon the President, whether he works inside the bank counter or only presides at the regular meetings of the board of directors and transacts such other business as pertains to the office.

The Vice-President should be a man of similar character and should be selected from among the representative men of the community.

The Cashier should be a trained banker, a competent bookkeeper and skillful in all lines of banking. He should be thoroughly versed with the standing of all customers of the bank and competent to pass on loans of a reasonable size at a moment's notice. He should make the small loans to well-known borrowers on application, if the bank is in funds to loan. Large loans should be passed on by the board of directors, before being made, and should be discussed freely both as to the borrowers themselves and the security they offer. In handling the notes a box-shaped note-case should be selected with sliding partitions, there being twenty-six compartments and a compartment for past-due paper and other items connected with the loans.

The Cashier should have charge of the paper, if the business of the bank does not warrant a note teller.

The notes should be gone over about twice a week and notice sent to borrowers about ten days before the maturity of their paper. All past due paper should be taken out of the regular file and placed with the past-due notes. The object in keeping the past-due notes separate is that they can be examined in a very few minutes by the directors without going through the entire loans of the bank.

It is the past-due paper and unsatisfactory notes that should be inspected thoroughly by directors, as the first-class notes require little attention after being made.

A bank should only handle the very best paper in the region where it does business, and where a loan has been found to be questionable it should be collected at the earliest possible moment after maturity. A bank can educate its customers to

* A series of articles to be published in competition for prizes aggregating $1,050, offered by THE BANKERS' MAGAZINE. Publication of these articles was begun in the July, 1901, number, page, 18.

be prompt in meeting obligations, and where a desirable customer is somewhat slow the Cashier or President should take the customer into his confidence and show him in a polite way that the bank requires the paper paid or secured on day of maturity and must insist on it.

The slow but good customer in many instances will become a prompt customer.

In selecting loans for the bank medium sized amounts are the best, and in country banks it is good policy to make loans in small amounts if customers desire them.

In close times borrowing depositors should be taken care of first, and after that paper should be purchased, always selecting high-grade notes, and when money becomes scarce and deposits shrink these notes should be the first to be collected and the regular customer should be the last to be disturbed.

Cattle paper, when well selected, is the best form of paper for country banks. A good substantial farmer wishes to feed his corn instead of selling it, goes to the stockyards and purchases a few carloads of steers. He has his own corn and puts in his own labor, the bank only loaning him the first cost of the cattle, which is secured by a mortgage on the cattle and several thousand bushels of corn. After maturing these cattle, in six or eight months' time, and placing them on the market, the proceeds are returned to the lending bank and the notes are paid off. The farmer usually has a good profit for his labor and corn.

The great danger is in dealing with inexperienced feeders and where they have paid too much for the feeders to start with and have to purchase high priced corn to mature them.

Examination of Loans by the Directors.

A meeting of the board of directors to examine the loans and investments of the bank should be held at least twice a month. A list of the paper and security should be made by the Cashier prior to the meeting, and in examining the loans the notes themselves should be handled by one director, makers' names and amounts called off, and another director should check the list, and the entire loans of the bank should be handled and the security on each piece of paper examined. After the notes are all examined one of the directors should verify the addition and compare the total with the general ledger. All paper should be discussed freely by the board, and any objections by any director should be carefully considered, and if any note is not found to be satisfactory it should be collected at its maturity.

The President and Cashier should insist on these directors' meetings being held regularly and all directors being present. No stockholder should be elected a director unless he is willing to perform these duties, and if one fails to perform the required work, he should be dropped at the annual election and a competent man put in his place.

A competent board, working with up-to-date officials, are the safeguards of the banking business, and any bank will pay fair dividends if the officers perform their duties, if the business of the place where the bank is located is sufficient for a bank.

The loans of a bank change from day to day and require constant attention. In selecting a line of loans about eighty per cent. of the paper should be made to local borrowers, who keep deposits with the bank, and the remainder of the loans should be made to other first class borrowers, a proper distribution of loans being made so that they may be collected at any time without disturbing the local business of the community. High grade bonds and warrants also make first-class investments, and usually can be converted into cash at any time.

Sending Collections to Other Banks.

In sending out notes to other banks for collection, the letter should carefully describe the note enclosed, the rate of interest and all endorsers. A slip of paper should be placed in the note-case, giving the number and amount of the note, and

the name of the bank to which the note is sent. These slips describing the note are very convenient when the paper is listed for examination by the directors.

The usual stock form of a note register is incomplete and unsatisfactory. They are all right if a bank handled only straight notes with interest from date or maturity; but a bank frequently purchases a note signed by John Jones dated, say, January 1, 1901, with interest from September 1, 1901, at six per cent., and eight per cent. after maturity.

A sample form of a good note register is given below.

Form of Note Register.

No.	*Their No.*	*Date.*	*Maker.*	*Endorsed by*	*Amount.*	*Due.*
5,001	901	June 6, 1901	J. T. Smith & Co.	W. B. Allen	$1,000.00	M. D. Y. 12-1-1901

Form of Note Register—Continued.

Rate of interest from—to.	*Credits.*		*Remarks.*	*Final payment.*	
Six per cent. from 9-1-1901 to due Eight per cent. after due	M. D. Y. 11-5-1901	$500.00	Protest	M. D. Y. 12-1-1901	$500.00

The blank showing endorsements will be found convenient in checking over computations of interest when note is collected by correspondents.

Desirable Kinds of Loans.

A very desirable class of loans are those made by merchants who wish to discount their bills with jobbers and factories. This class of paper does not measure the liabilities of the merchant, but it enables him to make a small profit above the interest he pays on the loan. When the note matures he has money accumulated in his bank account, and pays the note instead of paying the jobber.

Statements of the condition should be frequently taken from borrowing merchants and manufacturers. These statements should be filed in a convenient case, and Brown & Co.'s statement for January 1, 1901, should be filed with their statement made January 1, 1900, thus arranging them by dates. The directors can compare these statements and tell very closely if the firm is making or losing money. The borrower's statement should show a large equity in his business, and a bank should know very surely that the firm is not running their business on borrowed money.

A firm should charge off annually a certain per cent. of the value of furniture, machinery, and so on. Another good form of a loan in agricultural regions is where the farmer wishes to hold his grain for better prices and gives the bank a chattel mortgage on his grain or furnishes a satisfactory endorser. This security in the form of a mortgage can be closed out and the note paid.

Prior to declaring a dividend too much attention can not be paid to undesirable notes that should be charged to profit and loss. Banks should not carry among their assets doubtful notes and pay a dividend too, as it is misleading to stockholders and depositors. The charged-off notes should be looked after as carefully as the good paper and they may be paid later on.

Litigation should be avoided, if possible, as large sums are wasted each year in attorneys' fees and court costs. Directors should consider well where the property is to get their money out of before running attachments, bringing suits, etc.

It is often advisable to compromise with a borrower when there is trouble ahead, as fifty per cent. or eighty per cent. of a loan is better than a total loss added to attorney's fees and court costs.

If directors and officials do their full duty, bank stock will become a safe and desirable investment, returning the owner a fair rate of interest.

While I have talked about desirable investments, the most undesirable are outside real estate, second mortgages, and unsecured speculators' paper. These three items should be kept out of any good bank. WESTERN BANKER.

ANNUAL REPORT OF THE SECRETARY OF THE TREASURY.

TREASURY DEPARTMENT,
WASHINGTON, D. C., December 2, 1902.

SIR: I have the honor to submit the following report:

RECEIPTS AND EXPENDITURES—FISCAL YEAR 1902.

The revenues of the Government from all sources (by warrants) for the fiscal year ended June 30, 1902, were:

From internal revenue	$271,880,122.10
From customs	254,444,708.19
From profits on coinage, bullion deposits, etc	10,979,506.57
From revenues of the District of Columbia	4,217,841.43
From sales of public lands	4,144,122.78
From fees—consular, letters patent, and lands	4,085,229.87
From navy pension, navy hospital, clothing, and deposit funds	2,019,850.25
From Indian labor, sales of Indian lands, etc	1,775,832.63
From tax on circulation of National banks	1,643,454.73
From payment of interest by Pacific railways	1,564,554.71
From sales of Government property	829,314.15
From customs fees, fines, penalties, etc	828,971.35
From immigrant fund	747,217.15
From miscellaneous	556,153.94
From Soldiers' Home permanent fund	536,045.62
From judicial fees, fines, penalties, etc	384 233.95
From sales of ordnance material and powder	330,438.53
From deposits for surveying public lands	316,579.23
From sale of naval vessels and army transports	313,948.98
From sale of lands and buildings	272,422.72
From tax on seal skins	231,821.20
From trust funds, Department of State	222,061.94
From depredations on public lands	107,995.58
From license fees, Territory of Alaska	95,805.61
From postal service	121,848,047.26
Total receipts	$684,826,280.47

The expenditures for the same period were:

For the civil establishment, including foreign intercourse, public buildings, collecting the revenues, District of Columbia, and other miscellaneous expenses	$111,067,171.39
For the military establishment, including rivers and harbors, forts, arsenals, seacoast defenses, and expenses of the war with Spain and in the Philippines	112,272,216.08
For the naval establishment, including construction of new vessels, machinery, armament, equipment, improvement at navy yards, and expenses of the war with Spain and in the Philippines	67,803,128.24
For Indian Service	10,049,584.86
For pensions	138,488,559.73
For interest on the public debt	29,108,044.82
For deficiency in postal revenues	2,402,152.52
For postal service	121,848,047.26
Total expenditures	$593,038,904.90
Showing a surplus of	91,287,375.57

In addition to the revenues collected during the year, the cash in the Treasury was increased by the following sums: From National bank fund, deposited under act of July 14, 1890, in excess of bank notes redeemed, $12,650,160; from issue of three per cent. bonds under authority of the act of June 13, 1898, for Spanish war expenditures, $20, and from the issue of four per cent. bonds in liquidation of interest accrued on refunding certificates converted during the year, $1,010, making a total of $12,651,190.

The securities redeemed on account of the sinking fund were as follows:

Fractional currency		$3,088.00
One-year notes of 1863		50.00
Two-year notes of 1863		100.00
Compound-interest notes		2,460.00
Oregon war debt		100.00
Loan of 1863, called		1,000.00
Seven-thirties of 1864-65		1,000.00
Funded loan of 1881, continued		100.00
Funded loan of 1891, called		6,250.00
Funded loan of 1891, continued at two per cent.		120,900.00
Bonds purchased—		
Loan of 1925	$27,321,200.00	
Funded loan of 1907	24,201,000.00	
Loan of 1904	2,443,750.00	
Loan of 1908-1918	2,105,280.00	
		$56,071,230.00
Premium on bonds purchased—		
Loan of 1925	$10,735,209.30	
Funded loan of 1907	2,958,620.95	
Loan of 1904	175,680.25	
Loan of 1908-1918	173,880.64	
		14,043,391.14
Total		$70,249,669.14

Compared with the fiscal year 1901, the receipts for 1902 decreased $14,990,250. There was a decrease of $38,776,495 in expenditures.

Fiscal Year 1903.

The revenues of the Government for the current fiscal year are thus estimated upon the basis of existing laws:

From customs	$300,000,000	
From internal revenue	222,000,000	
From miscellaneous sources	40,000,000	
From postal service	132,020,630	
Total estimated revenues		$694,020,630

The expenditures for the same period are estimated as follows:

For the civil establishment	$126,000,000	
For the military establishment	130,000,000	
For the naval establishment	85,000,000	
For the Indian service	13,000,000	
For pensions	138,000,000	
For interest on public debt	27,000,000	
For postal service	132,020,630	
Total estimated expenditures		651,020,630
Or a surplus of		$43,000,000

Fiscal Year 1904.

It is estimated that upon the basis of existing laws the revenues of the Government for the fiscal year 1904 will be:

From customs	$315,000,000.00
From internal revenue	230,000,000.00
From miscellaneous sources	40,000,000.00
From postal service	144,767,664.00
Total estimated revenues	$729,767,664.00
Total estimated appropriations, exclusive of sinking fund	677,956,776.30
Or an estimated surplus of	$51,810,887.70

Operations of the Treasury.

The Treasurer of the United States in his annual report distinguishes, as the striking features of the condition of the Treasury, the magnitude of the available cash balance and the unprecedented holdings of gold. Among the notable events of the last fiscal year are the diminution of revenues due to the repeal of war taxes, the reduction of expenditures, and the changes in the composition of the paper currency. United States notes and Treasury notes were redeemed in gold to the amount of $17,482,590 of the former and $1,274,590 of the latter, without any impairment of the gold reserve of $150,000,000.

The increase of the available cash balance was $33,780,563, bringing the total on June 30 to $212,187,361. By October 1, 1902, the total increased to $221,253,894, but was reduced by November 1 to $206,421,878. Inclusive of the gold reserve, the available balance on June 30 was $362,187,361, the largest in the history of the Department, for while these figures are exceeded by the records of 1879, the latter included in the account the funds held temporarily against called bonds. After allowing for subsidiary silver, silver bullion, and minor coin not available for large payments, there remained in the Treasury vaults November 1 a fund of over $56,-000,000, which is slightly in excess of what is deemed a fair working balance. Nearly half of the net available cash balance, over and above the reserve of $150,-000,000, was in gold and gold certificates, which amounted to $103,801,290, and increased by November 1 to $113,512,933, a sum far exceeding the outstanding liabilities.

The first quarter of the new fiscal year was marked by an increase in customs, offsetting the reduction by the new statutes in internal revenue. Both the receipts and the expenditures were in excess of the corresponding months in the year preceding. On November 1 a surplus of $13,296,491 was shown for the current fiscal year.

In the total amounts of bonds held for National banks as security for circulating notes, the most significant changes were a reduction of nearly $14,000,000 between October and June, and an increase of nearly $9,000,000 between June and October. On June 30 all of the two per cent. consols were on deposit in the Treasury with the exception of $42,394,250, and by November 1 all but $35,196,700. The banks with securities pledged for circulation on June 30 numbered 4,553, an increase of 366 for the year. More than fifty per cent. of the banks had deposits of less than $100,000 for circulation, and nearly one-third had less than $25,000, while 479 had no more than $10,000 each. Under a ruling of the Secretary, State and city bonds amounting to $19,474,500 were received to November 10 as part security for public deposits to release United States bonds which were transferred to secure circulation.

The unparalleled volume of gold certificates outstanding is the result of the freedom with which they can be issued in consequence of the natural flow of gold from many sources into the Treasury. They are issued against deposits of coin and are paid out for gold bullion and the obligations of the Government. On June 27 they for the first time exceeded in volume the United States notes. The increase in the fiscal year was $57,594,400, which was followed by another of $16,699,000 in the next three months, bringing the total up to $368,311,089.

The Treasury derives gold from several sources. Substantially, the whole receipts from customs are in gold or the representative certificates. The total acquired through the custom-houses during the year is placed at over $215,000,000. Deposits of gold amounting to $22,021,500 were made in New York for the transfer of currency to other points. These deposits began early and were larger than in any recent years except 1900, and for the first time the Treasury was able to receive gold and supply the kinds and amounts of paper currency desired, which were usually United States notes and silver certificates of small denominations. The gold received at the mints and assay offices is paid for mostly by checks. For deposits of gold in San Francisco payments were made by telegraph in New York to the amount of $10,473,000 before November 1.

During the year ended September 30, 1901, there was an addition of $75,956,845 to the paper currency of $20 and under, while only $9,794,500 was added to the higher denominations. Inclusive of gold coin, the smaller denominations constituted over eighty per cent. of the whole stock of money. In the next twelve months the increase of the smaller denominations was $71,283,129, and of the higher only $4,745,750, raising the percentage of the former to over eighty-three. The demands of the people for notes of small denominations have surprised the closest students of the currency. In 1890 there were 37,065,880 pieces of Government paper issued, of the average value of $6.61. In 1902 the issue was 116 697,874 and the average value $4. The facilities for production, so far as the Treasurer's office is concerned, have been often increased, and now seem to be sufficient for present requirements. In July, August and September, 1902, the issues and redemptions were each over 7,000,000 pieces greater than in the same months of the preceding year. The average value has fallen to $3.62. The currency distributed from Washington to the sub-Treasuries and banks during the fiscal year amounted to $387,319,888, against $319,912,188 in the year preceding.

From the occupation of the Philippines to September 15 last, an aggregate of $27,331,050 in American money was sent there to be used in Government disbursements. Of this, $15,680,000 was in paper, $10,290,000 in gold, and the remainder in silver and minor coin. There is no record to show what has been returned.

The act of March 14, 1900, has been carried out in accordance with the spirit and letter of the statute. The parity of all kinds of currency has been maintained. For the present, no silver certificates are issued of higher denomination than $5, and no United States notes of any other denomination than $10, while gold certificates alone are issued in the higher forms. As a consequence, the paper currency is gaining in simplicity. Generous Congressional action has made it possible to provide a fair reserve of finished notes of all denominations ready for issue, and the Treasury has been able to meet all demands for currency without any restrictions upon the denominations paid out or the kinds of money received in return. The receipts for redemption and exchange during the fiscal year amounted to $723,275,246, an increase of $54,864,865 over 1901.

National bank notes amounting to $171,869,258, equal to 48 per cent. of the average outstanding, were presented during the year for redemption, an increase of $24,-382,681 over the previous year. In the first quarter of the current fiscal year presentations for redemption amounted to $39,791,201, an increase of $3,283,510 over the same period of 1901. The volume of notes outstanding was further increased $10,321,507, making the aggregate $366,993,598. The expenses of redemption for the fiscal year were $153,796, which have been assessed upon the banks at the rate of $0.92444 per $1,000 of their notes redeemed.

There was unusual activity in the movement of silver and minor coin to and from the Treasury. The shipments of silver dollars reached $40,404,325, exceeding all former records, and the returns for exchange were $2,710,690 greater than the

issues. The amount of subsidiary coin outstanding was increased by $6,486,014 to $85,721,228. A recoinage of $4,831,043 of all kinds of uncurrent coins was executed, at a loss of $198,148 on the original face value. There was a marked falling off in the amount of spurious coin and paper money presented.

The Mint Service.

The mints at Philadelphia, New Orleans and San Francisco were in operation throughout the fiscal year. The total number of coins struck was 191,419,506, of the value of $94,526,678.12. Gold coinage amounted to $61,980,572.50, silver dollars to $19,402,800, subsidiary silver coins to $10,713,569.45 and minor coins to $2,429,-736.17. Gold bullion in the mints increased during the year from $109,219,493 to $124,083,823. The coinage of silver dollars was wholly from bullion purchased under the act of July 14, 1890. Of this there remained on July 1, 1902, 33,218,712 fine ounces.

The new mint edifice at Philadelphia was occupied in October, 1901, and with its equipment now constitutes probably the most modern and complete coinage establishment in the world. Its ultimate capacity when fully equipped will be much beyond what is at present required. The total appropriation made for equipment was $440,185, of which $349,720.84 had been expended up to July 1, 1902. The contract for the interior construction of the new mint at Denver has been awarded. That machinery and other equipment may be ready for installation when the building is completed, a further appropriation for that purpose should now be made. The mint at San Francisco is being supplied with new machinery to bring its equipment up to the standard of efficiency established at Philadelphia. The mint at New Orleans has been engaged for several years almost wholly upon the coinage of silver, and the approaching exhaustion of the supply of silver bullion in the Treasury raises the question as to the employment of this institution in the future. The opening of the new mint at Denver will provide a natural place of deposit for the gold bullion produced in the Central West, the mint at San Francisco will receive the production and imports of the Pacific coast, and the mint at Philadelphia will receive the imports at New York. The receipts of gold at New Orleans do not justify the continuance of coinage operations there. In view of these facts, the Director of the Mint recommends that after June 30, 1903, the New Orleans mint be reduced to an assay office.

The stock of subsidiary silver in the country is now limited by law to $100,000,000, and that aggregate has been reached. The amount in the Treasury on the first day of October, 1902, was $8,082,371.28, and as this was distributed among ten offices and included all denominations and a considerable amount that was uncurrent, it is apparent that the ability of the Treasury to meet further demands from the public is very limited. There is pressing need for action by Congress, and it is recommended that the limit upon the stock of subsidiary silver coin be entirely removed; that the requirement that $1,500,000 of silver dollars be coined monthly be repealed, and that the entire stock of silver bullion now in the Treasury be converted into subsidiary coin.

The total earnings and gains of the Mint Service, including seigniorage on silver dollars, subsidiary silver coin, and minor coin, exceeded the expenditures by $9,460,994.12

The earnings and gains were $11,371,454.73; the expenditures, including new equipment, were $1,910 460.61.

The production of gold in the United States during the calendar year 1901 is estimated at $78,666,700. The industrial consumption during the year is estimated at $21,868.956. The net imports of gold during the fiscal year ended June 30, 1002, were $3,452,304. The stock of gold coin in the country, including bullion in the mints on June 30, 1902, is estimated at $1,192,395,607.

PUBLIC MONEYS.

The monetary transactions of the Government have been conducted through the Treasurer of the United States, nine sub-Treasury offices, and 574 National bank depositaries. The amount of public moneys held by the bank depositaries on June 30, 1902, including funds to the credit of the Treasurer's general account and United States disbursing officers, was $123,983,067.59, an increase since June 30, 1901, of $23,972,573.64. On June 30, 1902, there were 329 temporary depositaries. One hundred and eleven were designated during the year and nineteen discontinued. On November 1 there were 442 temporary depositaries, and the total of public moneys held by all depositaries was $146,885,012.49.

LOANS AND CURRENCY.

The amount of the interest-bearing debt outstanding July 1, 1901, was $987,141,-040. On that date the Government was still purchasing United States bonds for the sinking fund, and such purchases were continued with slight intermissions until March 15, 1902. The total amount purchased and charged to the sinking fund for the fiscal year 1902 was $56,071,730, and the disbursement was $70,410,941.33, distributed among the different loans as follows:

Purchases for the Sinking Fund, Fiscal Year 1902.

CLASSES.	*Bonds.*	*Premium.*	*Disbursement.*
Three per cent., 1908-1918	$2,105,780	$179,782.84	$2,285,562.84
Four per cent., 1907	24,201,000	3,107,163.84	27,308,163.84
Five per cent., 1904	2,443,750	188,786.10	2,632,536.10
Four per cent., 1925	27,321,200	10,863,479.05	38,184,679.05
Total	$56,071,730	$14,339,211.33	$70,410,941.33

During the fiscal year 1902 there were received for exchange into four per cent. bonds, funded loan of 1907, $1,340 refunding certificates, the accumulated interest upon which, convertible into principal of four per cent. bonds, amounted to $1,010. The total issue of four per cent. bonds of the funded loan of 1907 on this account was, therefore, $2,350.

There was also issued to one of the subscribers of the three per cent. loan of 1908–1918 a three per cent. bond of the denomination of $20, to correct an error in filling a subscription.

As a result of these operations, the interest-bearing debt outstanding at the close of business June 30, 1902, was $931,070,340.

Since June 30, 1902, the department has purchased bonds for the sinking fund for the fiscal year 1903, as follows: Five per cent. bonds, loan of 1904, under circular No. 117 of September 26, 1902, $25,300; four per cent. bonds, loan of 1925, under circular No. 128 of October 17, 1902, $16,504,300.

The department has also prepaid interest, for the remainder of the fiscal year, on United States registered and coupon bonds under authority of section 3,699 of the Revised Statutes. In pursuance of circular No. 115, dated September 25, 1902, a rebate of two-tenths of one per cent. per month was charged by the department on the amount of interest prepaid. Prepayments under this circular were made during the period beginning October 1, 1902, and ending November 30, 1902. Up to November 1 the amount prepaid was $3,318,397.15 and the rebate thereon was $38,483.55.

BONDS IN AID OF AN ISTHMIAN CANAL.

The act of June 28, 1902, to provide for the construction of a canal connecting the Atlantic and Pacific oceans, includes, among other provisions, authority for the Secretary of the Treasury to borrow on the credit of the United States, from time to time as the proceeds may be required to defray expenditures authorized by the

act, the sum of $130,000,000, or so much thereof as may be necessary, and to issue therefor United States bonds redeemable after ten years and payable after thirty years from da'e of issue, bearing interest at the rate of two per cent. per annum.

There being no reference in the act to the availability of these bonds as security for the circulation of National banks, it is believed that they can be received by the Department on such account only upon such terms as the older classes of United State bonds now outstanding—that is to say, a National bank depositing canal bonds as security for circulation would be required to pay a tax of one per cent. each year to the Government on account of such circulation. This would place the two per cent. canal bonds at a great disadvantage as compared with the two per cent. consols of 1930. A bank depositing the consols is required to pay a tax amounting only to one-half of one per cent. per annum.

As it is no doubt desired by Congress that the Secretary shall have power to obtain the best terms available in negotiating the canal bonds, it is recommended that the act of June 28, 1902, be amended so as to provide that any National bank circulation secured by a deposit of canal bonds may be subject only to the same tax as that imposed on circulation secured by the two per cent. consols of 1930.

Foreign Commerce.

The marked characteristics of the foreign commerce of the United States during the fiscal year ended June 30, 1902, were a decrease of $106,045,590 in exports and an increase of $80,148,783 in imports. The total exports of the year were $1,381,719,401, of which $1,355,481,861 were of domestic production; the total imports were $903,320,948, making the excess of exports over imports $478,398,453. The decrease in exports is chiefly due to the unusual home demand, to the shortage in the corn crop of 1901, and to a reduction in prices of certain great staples exported. The unusual demand of the home market for manufactures of iron and steel caused a reduction of $18,766,758 in the domestic exports of iron and steel manufactures; the shortage in the corn supply, due to the drought of 1901, caused a reduction of $67,361,099 in the value of corn and corn meal exported, and the fall of upward of one cent per pound in the average price of cotton, as compared with 1901, resulted in a reduction of $23,021,624 in the value of cotton exports, although the quantity exported in 1902 was greater than that of 1901. Aside from these exceptional cases, the export figures of the year compare favorably with those of preceding years.

The increase in importations was chiefly due to an enlarged demand by manufacturers for raw materials for use in manufacturing, the increase in the importations of manufacturers' materials of all classes being $69,732,221; and to these was added an increase of $19,708,269 in articles manufactured ready for consumption, and $11,859,750 in those included in the class "articles of voluntary use, luxuries," etc., while in articles of food there was a reduction of $21,151,457. In iron and steel alone, the importation of articles partly or wholly manufactured increased $9,305,458, bringing the total imports of iron and steel manufactures to a point higher than at any time since 1893. The increase of $80,148,783 in importations has brought the total import figures of the year to a point higher than ever before, the total value of importations of 1902 being $903,320,948, against $866,400,922 in 1893, the highest record of preceding years. This increase, as already noted, occurs chiefly in manufacturers' materials, the principal increases being in unmanufactured silk, $12,583,986; hides and skins, $9,786,698; fibers, $8,613,456; cotton, $4,924,342; copper, $4,376,119; lumber and other unmanufactured wood, $4,015,763; chemicals, $4,215,465; and wool, $5,181,907. In practically all of the great articles of foreign production required by our manufacturers, the importations of the year exceed in quantity and value those of any preceding year in the history of our import trade.

The reduction in exports, since it occurred chiefly in food stuffs and raw cotton,

applied almost exclusively to the commerce with Europe, to which the exportations fell $128,470,624 below those of the preceding year, while those to North America increased $7,486,620, to Africa $7,925,987, and to Asia and Oceania $13,419,005.

The commerce with the non-contiguous territory of the United States shows a very rapid and gratifying growth. The receipts of merchandise from Porto Rico in 1902 were $8,297,422, against $2,181,024 in 1897, and the shipments to that island in 1902 were $10,719,444, against $1,988,888 in 1897, the year prior to the assumption of control of that island by the United States. From the Hawaiian Islands the receipts of merchandise were $24,700,429, against $13,687,799 in 1897, and the shipments to the islands in 1902 are estimated at $19,000,000, against $4,690,075 in 1897. From the Philippine Islands the receipts of merchandise in 1902 were $6,612,700, against $4,383,740 in 1897, and the shipments to those islands in 1902 were $5,258,470, against $94,597, in 1897. Combining the figures of commerce with the three groups of islands—Porto Rico, Hawaii, and the Philippines—the figures show total receipts of merchandise from the islands in 1902, $39,610,551, against $20,252,563 in 1897, and total shipments to the islands in 1902, $34,977,914, against $6,773,560 in 1897; while the exports to all Asia and Oceania, including the Hawaiian Islands, were $117,202,-118 in 1902, against $61,927,678 in 1897. Thus the exports to the islands have increased more than fourfold, and those to all Asia and Oceania nearly doubled since 1897, while the total exports have in the same time increased less than fifty per cent. Under the recent act of Congress, approved April 29, 1902, authorizing the collection of statistics of commerce between the United States and its non-contiguous territories, a full statement of the commerce with all such territory under the control of the United States, including Alaska, is now being collected and compiled, and indicates that the markets supplied the producers of the United States by these non-contiguous territories now aggregate over $40,000,000 per annum.

Estimated Revenues and Expenditures.

The revenues of the Government for the current fiscal year are estimated at approximately $694 000,000. Expenditures during the same period are estimated at $651,000,000, leaving an estimated surplus for the fiscal year of $43 000,000.

The revenues for the fiscal year ending June 30, 1904, are estimated at approximately $730,000,000. Expenditures, exclusive of isthmian-canal rights and other extraordinary appropriations for the same period, are estimated at $680,000,000, leaving the estimated surplus for the year $50,000,000.

These figures assume that existing business activities will continue. Public revenues, like private earnings, are dependent very largely upon industrial and commercial conditions. The largest deficit of the last decade (except pending the Spanish war) was $70,000,000. The Government Actuary estimates that were the present population to produce, consume, and import relatively the same class of goods and per capita in the same amount that they did during the most unfavorable fiscal year in the recent past, there would be a deficit under present revenue laws of $90,000,000 per annum, instead of a $50,000,000 surplus.

The Currency.

Any coin that the Government gratuitously and in unlimited quantity coins for the bullion owner will be worth exactly the same as the material of which it is produced.

By act of Congress approved February 12, 1873, and by a second act approved March 14, 1900, the value of the United States dollar was declared to be that of 25.8 grains of gold .900 fine. These acts have been referred to as establishing and determining the gold standard in the United States.

In 1792 the Congress authorized the purchase of bullion and the coinage of cents

on Government account. Subsequently these cents were made legal tender in limited amount, but it was deemed unsafe as well as unjust to enforce the acceptance even of cents at more than their metallic value, and they were therefore made redeemable in lawful money. Similar provision, and for the same reason, has been made with respect to all minor coins.

In 1853 the Congress authorized the coinage on Government account of subsidiary silver coins of relatively less bullion value than the then standard coin, and made the same legal tender in limited amount, but it was subsequently deemed unsafe as well as unjust, to enforce the acceptance thereof without special provision for their redemption.

In 1862 the Congress authorized the issuance of what was known as United States notes, popularly called "greenbacks," and made the same, as between individuals, legal tender in unlimited amount. But because there was no provision for their redemption in coin, their purchasing power fluctuated very materially, notwithstanding the fact that their debt-paying power remained the equivalent of gold. Subsequently the Congress, recognizing the ruinous effect upon commerce of an irredeemable currency, made special provision for the redemption of these notes in coin.

In 1893 a very serious financial panic arose, which threatened every commercial and industrial institution in the land. Without going unduly into the history of this panic, it is quite universally recognized that the possibility of Government notes being redeemed in coin worth less than 25.8 grains of gold was the prime factor which led to the hoarding of gold. There was no occasion to fear that greenbacks and Treasury notes would not be redeemed in coin, for this had been expressly provided; but there was occasion to fear that they might be redeemed in unprotected silver worth fifty-four cents in gold.

Subsequently, on March 14, 1900, the Congress, recognizing that the parity of the demand obligations of the Government could not long be maintained when redeemable in anything other than standard coin, expressly provided for the redemption of greenbacks and Treasury notes in gold. No provision has yet been made for the redemption of silver or its exchange for gold. There are now outstanding, in round figures, 550,000,000 coined silver dollars, of material worth not fifty-four cents each, as in 1893, but less than forty cents each; and there is no express provision of law to protect the holder should public revenue again fall below current expenses and gold cease to flow into the Treasury.

It is true that by acts of Congress silver is receivable for customs dues and other debts, but the same law existed in 1893; and it reserves to the Government the right to pay in silver and compels its creditors to accept the same at par. It is doubtful if the solvency of a business man could be established by his agreeing to accept his own obligations on debts due to himself, while refusing to redeem the same in any money his creditors might designate. He might escape litigation so long as he remained a great creditor and a small debtor, but not afterward, and at no time would his business standing fail to suffer.

National bank notes are secured by a special deposit of Government bonds, the principal and interest of most of which are payable in gold, but the notes themselves are payable in "lawful money," which includes irredeemable silver dollars, more than sixty per cent. fiat.

In 1893 there were outstanding, roundly, $346,000,000 in United States notes and $147,000,000 in Treasury notes, all redeemable in coin, and the cheapest coin in which these notes could have been redeemed was worth fifty four cents in gold. There was also $180,000,000 National bank notes, payable in "lawful money," and, therefore, liable to be discharged in silver worth fifty-four cents. There was also outstanding 420,000,000 silver dollars worth the same. There was, therefore, approximately, in the aggregate, $500,000,000 of unprotected fiat in these three forms of

money. Since that time United States notes and Treasury notes have been made redeemable by law in gold, but the present National bank issue of $380,000,000 is payable in lawful money, which includes silver, worth not fifty-four cents, but thirty-nine cents, and there are now outstanding 550,000,000 silver dollars worth thirty-nine cents each in gold. The aggregate unprotected fiat at this time is, therefore, $565,-000,000, or $65,000,000 more than 1893.

Throughout this discussion, gold certificates have been treated as gold coin, and silver certificates as silver coin.

Not only current obligations of the Government, but all contracts between citizens, and all bills of exchange, domestic and foreign, payable in United States money, are dischargeable at the option of the payor (except when otherwise expressly provided) in money coined on Government account and at fully thirty-five per cent. profit to the Government, the bullion in which is worth less than forty cents on the dollar.

The peril involved in this condition may be averted for a time, and possibly for all time. The evils that precipitated the disaster of 1893 escaped popular, though not universal, recognition so long as public revenues exceeded expenditures. The reason assigned why the exchangeability of gold and silver should not be established is that it would entail so large an obligation that the national credit would be endangered. This concedes the argument, but pleads the preference that the Government which has coined this silver and profited thereby shall be protected regardless of possible danger to the citizens and the peril to business.

The statute now provides that parity between all forms of money shall be maintained. A former Secretary of the Treasury expressed the opinion that a somewhat similar statute authorized the redemption of silver in gold. If that be the intention, I submit it would be better to express the same in specific terms. It has been found necessary, in order to maintain the parity of greenbacks and Treasury notes, to expressly provide for the redemption thereof in gold. I am not unmindful of the claim that parity will naturally continue so long as the Government accepts silver in payment of revenues. If this be true, there would be no danger to the Government should the two coins be made interchangeable.

I believe the Treasury of the United States would be in less danger with an express provision for the exchangeability of gold and silver than under existing laws. At the present time the Treasury furnishes all the gold needed, whatever the purpose for which it is demanded, and certainly no more would be required for commerce, and not as much for hoarding, should all doubt as to the status of silver be removed. On the contrary, if all forms of money were made the equivalent of gold, then all occasion for hoarding one coin more than another would vanish, and the danger to the Treasury would be diminished instead of being increased. The ability of this Government to fulfill its promises has never been questioned, but doubts arising from unexpressed policies have caused more than one crisis.

Should it be deemed wise to provide for the exchangeability of gold and silver, then National bank notes might be made payable in gold. In this way there would be shifted to the banks the greater burden of furnishing gold for domestic use and for export, and this, in the event of an unfavorable balance of trade, might prove of great advantage to the Government. It would be manifestly unjust, as well as illogical, to require banks to redeem their notes in gold so long as legal-tender silver remains irredeemable and unexchangeable.

There can be no valid reason, legal, economic, or equitable, why the Government should not redeem in gold all its own obligations, whether they be represented in paper, 100 per cent. fiat, or in silver, 60 per cent fiat. When the Government expressly guarantees its own issue, no objection can appropriately be urged against requiring banks to pay their notes in gold. On the contrary, I see many advantages

to be gained, especially with respect to our foreign commerce, by making every obligation between the Government and the people, and between individuals, payable in money every dollar of which shall be the equivalent of 25.8 grains of standard gold, and on which a demand for this equivalent can be directly or indirectly predicated.

SUBSIDIARY COINAGE.

The aggregate of subsidiary coinage permissible under existing laws is one hundred million dollars. This limit has been reached, but the demand for subsidiary coins is by no means satisfied, and the Department even now is unable to fill all orders therefor. There is now in the vaults of the Treasury sufficient bullion to coin, in round numbers, 85,500,000 silver dollars, or $38,000,000 in subsidiary coins. The vaults of the Treasury are crowded with silver dollars, the amount of which will perhaps be better appreciated by stating that the space occupied in this way is the equivalent of a building 8 feet wide, 10 feet high, and 1,450 feet long. This volume is being increased at the rate of a million and a half per month. Our increasing commerce and population will at present absorb about ten million dollars in subsidiary coins per annum. It is not likely that this will continue indefinitely, but I see no reason why, to the limit of this demand, it may not safely be supplied by converting the present volume of bullion into subsidiary coin, and thereafter by recoining siver dollars.

BANKING.

Recent events not only justify but enforce the conclusion that our banking system is imperfect. During certain months of the year interest rates dropped dangerously low—dangerous in the sense that speculation was invited thereby. When the time arrived for moving crops, rates advanced alarmingly high. Meantime the price of Government bonds rendered the maintenance of National bank circulation unprofitable, and this class of currency was retired with great rapidity.

The Department exerted every influence within its authority to counteract this natural contraction. During the early spring the surplus revenues were deposited with the National banks upon satisfactory security, but preference was given to such institutions as maintained their limit of circulation. Then, during the months when rates of interest were low, no deposits were made. Later in the season, when it became apparent that some measure of financial stringency was certain to arise, the Department suggested to certain depositary banks the wisdom of making preparation for the issuance of additional circulation. This suggestion was submitted to eighteen of the larger institutions located in central reserve cities, to which fifteen responded with orders for printing $12,000,000 circulation, and in the actual issuance of something over $7,000,000. Later, additional deposits were made, but they were made mostly with such banks as agreed to increase their circulation by an amount equal to and frequently double the deposit. In this way $4,000,000 more circulation was secured. Still later an offer was made to accept as security for deposits already made, the substitution of State and certain municipal bonds at seventy-five per cent. of their face value in lieu of Government bonds then on deposit on condition that the Government bonds thereby released should be made the basis of immediate circulation. In this way about $15,000,000 circulation was induced. Thus, by means of these several methods, the Department secured in round figures $26,000,000 increase of circulation from the National banks holding Government deposits.

During the twelve months from November 20, 1901, to November 20, 1902, 467 new banks were chartered, with a capital of over $30,000,000 and an initial circulation aggregating, in round numbers, $7,500,000; while the capital of existing National banks was increased more than $48,000,000. The increase in circulation, however, during the twelve months was only about $20,500,000. Thus it is manifest

that but for the extraordinary inducements offered by the Department National bank circulation would have contracted during the year, notwithstanding the organization of new banks and the aggregate increase in National bank capital about $75,000,000. In fact, National bank circulation did decrease very nearly $6,000,000 during the fiscal year ending June 30. The efforts of the Department to increase circulation were not resorted to until after that date. Fully $50,000,000 increase could have been secured had the law permitted its rapid retirement when no longer needed.

The reason for this tendency toward contraction is apparent. Government bonds are scarce, and those outstanding are held in large part by trust estates, Savings banks, and insurance companies and are not available for circulation. The bonds that are on the market are held at prices which render their use as security for circulation unprofitable whenever the rate of interest approximates six per cent.

The frequent purchase and retirement of bonds renders the amount available for circulation gradually less, while a rapidly-growing population, additional banking facilities, and expanding trade suggest the need of an ever-increasing circulation. I therefore believe the time has arrived when it will be necessary to adopt one of two policies: either the Government debt must be perpetuated as a basis for National bank circulation, and additional bonds issued as occasion may require, or some other system must be provided.

By the act of Congress approved March 14, 1900, the Department is authorized to refund all bonded indebtedness maturing prior to 1925. This discretion would have been exercised as far as possible but for the fact that if present conditions continue the Government will be in funds sufficient to discharge this indebtedness at the time it matures. The question has, therefore, presented itself for solution: Shall the Department, as the agent of the Government, secure additional time upon an indebtedness not yet due, when there is fair prospect that it can be met according to its terms?

There is one other reason why the refunding of this indebtedness is deemed of doubtful expediency. Whenever there is a surplus of public funds in the Treasury, and financial conditions make it advisable that it be released, it becomes necessary to purchase Government bonds. At present there is no other way to put accumulated surplus revenues promptly in circulation. The available bonds are not held by banks or by business concerns. So, whenever the Government is a purchaser, the price is promptly advanced. This is not mentioned for the purpose of criticising those who may hold bonds as an investment or for speculation, but simply to state an important factor in the equation. Should the bonds falling due in the near future be permitted to mature, they can be extended at a very low rate of interest, payable on demand, and the holders thereof can no longer dictate prices to the Government. Had the Department, however, exercised the discretion with which it is clothed by the act referred to, and offered to refund, it is probable that a portion of the outstanding indebtedness of the Government would have been presented and a slight increase in circulation might have followed. In view of these considerations, it has been thought best to defer action that the current session of the Congress may, if it shall deem wise, determine by additional legislation the future policy of the Government.

Additional circulation will be necessary. Outstanding Government bonds are inadequate to secure it even if their market value would justify their use by the banks. It is even doubtful if National bank currency based on Government bonds can be made advantageous to banks. A lower tax on circulation would be counteracted very promptly by a corresponding advance in the price of bonds, and the profit would accrue to the present bondholder.

I see no objection to the issuance of circulation based upon general credits, if properly safeguarded. Neither do I believe it necessary to make currency thus is-

sued a first lien upon assets. A very small tax upon circulation would be sufficient to cover any possible loss. The Government Actuary has demonstrated that a tax of one-eighth of 1 per cent. upon circulation would have covered all loss from the beginning of our National banking system to the present time, had each bank maintained its limit of circulation. Instead of calling this a tax, suppose it be called "premium on insurance," and the Government the "underwriter." The banks could be required to redeem their circulation at reserve cities, and the Government would never suffer injury or embarrassment as an insurer against ultimate loss. The lowest tax suggested by anyone would far exceed any possible loss, and the Government could assume responsibility to the people and still realize a profit. When thus guaranteed and primarily redeemed by the Government at the expense of the bank of issue, currency based on general assets would be as acceptable and as secure as the present National bank notes based on specific assets.

I doubt, however the wisdom of making provision for the issuance of credit currency to the limit of the bank's capital. Not that I would fear unfortunate results, but in all financial legislation the greatest caution must be exercised lest the currency be suddenly and unduly inflated. A gradual increase in circulation is well-nigh imperative, but a sudden and unnecessary increase would be most unfortunate. Several other safeguards will naturally suggest themselves and need not be considered in this report.

I am not prepared at this time to recommend branch banks. Recent events confirm a previous opinion that the peculiar conditions of this country would not be conserved by such a policy. Greater economy in management may be conceded. It may be conceded also that the system works well in some countries, but no other country has such diversified and widely-separated interests as this. In order that the parent bank shall be able to serve widely-separated communities, it must first understand the needs of these communities, and neither experience nor observation justifies the conclusion that such intimacy is likely to exist. I think a far better course, for the present at least, would be to provide an elastic currency, available in every banking community and sufficient for the needs of that locality. This, I think, can be accomplished either in the way I have intimated or by several other methods.

The Department recommends no one plan to the exclusion of all others. It is the province of the Department to point out the weak places that the Congress may strengthen them; to suggest possible, if not imminent, dangers, that the Congress may provide against them; but ultimate responsibility does not lie with the Department.

At present the purchase of outstanding Government bonds for the credit of the sinking fund affords the only method of returning surplus public revenues to the channels of trade after they have been once covered into the Treasury. The Department is authorized to deposit current internal revenue and other receipts, except customs, with National banks upon satisfactory security, but this method affords very tardy relief in case of monetary stringency. On the other hand, the purchase of bonds invites a contraction of National bank circulation for the purpose of disposing of the bonds pledged for its security at the advanced price which usually prevails whenever the Government becomes a purchaser. Thus the object sought to be attained is counteracted. If authority were granted to make deposits without security after special examination and at such rates of interest as the Secretary of the Treasury might determine, quite an element of elasticity would be provided whenever a surplus of revenues existed. By advancing or lowering the rate of interest an equilibrium could be maintained throughout the country, and the interest charge would more than cover any loss.

But if it should be deemed unwise to permit the loaning of public funds without specific security, it certainly would be well to authorize deposits direct from the Treasury, and, as now, upon satisfactory security. If such authority had existed during the last few months the something more than $20,000,000 which was paid to the owners of Government bonds would have been deposited in a large number of reserve cities throughout the country, and the relief afforded would have been equally permanent and more widely appreciated.

LESLIE M. SHAW, *Secretary*.

TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

ANNUAL REPORT OF THE COMPTROLLER OF THE CURRENCY.

TREASURY DEPARTMENT.
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
Washington, December 1, 1902.

SIR—In compliance with the requirements of section 333 of the Revised Statutes of the United States, the fortieth annual report of the operations of the Currency Bureau for the year ended October 31, 1902, is submitted herewith.

CONDITION OF THE NATIONAL BANKS.

Since the last report to Congress, statements of condition have been received from National banking associations on five dates. On September 15, 1902, reports were submitted by 4,601 associations, with aggregate resources of $6,113,928,912. The loans of the associations, representing over fifty per cent. of their resources, amounted to $3,280,127,480. The amount of bonds on deposit as security for circulation was $324,253,760. Bonds on deposit as security for public funds aggregated $124,685,150, and the banks held in their vaults other securities of a like character to the amount of $8,008,100. The investments in other bonds, stocks and securities aggregated $498,109,726; bank premises, furniture and fixtures, $92,652,268; funds on deposit with approved reserve agents, $465,640,578; with other National banks, $264,616,195, and with State banks and bankers, $89,993,517. In addition to specie, amounting to $366,236,120; legal tenders, $141,757,618; bills of other banks, $22,861,878, the associations held exchanges for clearing-houses to the amount of $327,762,581.

Capital stock paid in aggregated $705,535,417; surplus and undivided profits, $326,393,953 and $169,216,512 respectively. The outstanding note issues were $317,-991,809. Funds to the credit of depositors reached the highest point in the existence of the system, $3,209,273,893. United States deposits and deposits of United States disbursing officers were $117,097,769 and $6,846,038 respectively. There was due to approved reserve agents, other National banks, State banks and bankers, trust companies and Savings banks, $1,200,341,233. The liabilities on account of notes and bills rediscounted and bills payable were $9,041,080 and $24,859,807 respectively.

A classification of the loans and discounts made by National banks in the reserve cities and in the States and Territories on September 15 last, shows that the aggregate volume is $3,280,127,180, classified as follows:

On demand, paper with two or more individual or firm names, $237,322,021; on demand, secured by stocks, bonds, etc., $706,854,833; on time, paper with two or more individual or firm names, $176,416,533; on time, single-name paper (one person or firm), $517,149,077; on time, secured by stocks, bonds, mortgages, etc., $642,-385,016.

The loans and discounts of the National banks in the city of New York on September 15 aggregated $607,058,485, of which $6,207,375 was demand paper, with one or more individual or firm names; $263,775,891 demand paper, secured by stocks, bonds, etc.; $118,235,347 time paper, with two or more individual or firm names; $86,119,928 single-name paper, and $132,719,941 on demand, secured by stocks, bonds, mortgages, etc.

The deposits on which reserve was required amounted to $3,844,365,538. The

banks held in cash with reserve agents and in redemption fund $989,433,995, but the available reserve—that is, the proportion of deposits with reserve agents, not exceeding the percentage of reserve required after deducting the redemption fund and cash on hand—amounted to $804,333,904, which was $17,563,177 in excess of the legal requirement, being an average reserve of 20.92 per cent. The banks located in the central reserve cities, New York. Chicago and St. Louis, held a reserve of $250,684,716 on deposits amounting to $1,040,587,878, an average of 24.09 per cent. The average reserve of New York city banks was 24.70, of Chicago banks 21.89, of St. Louis 24.15. The banks located in other reserve cities held $258,045,769, against deposits of $1,060,571,076, the average reserve being 24.33 per cent. Banks located outside of the reserve cities held reserve funds to the amount of $295,603,418, or 16.91 per cent., on deposits aggregating $1,743,206,583.

While there has been no change in the method of calculating the reserve of any individual bank, the form of reporting the reserve in the abstracts issued subsequent to each call was changed, beginning with the April 30 statement. Prior to that date the percentage of legal reserve held to deposits was not shown, but merely the percentage of cash in bank, redemption fund, and amount due from approved correspondents. Corresponding information is still shown in the reserve tables, but the percentage of legal reserve held is based on the amount of specie and legal tenders in bank, the redemption fund and the amount on deposit with reserve agents, not in excess of the legal limit available. As illustrating the difference resulting from the change, it is shown that while banks in reserve cities, exclusive of central reserve cities, by the former method of computation, held a reserve of 27.64 per cent., their legal reserve was but 24.33 per cent.

From September 30, 1901, to September 15, 1902, there was an increase of $418,581,617 in the aggregate resources of the reporting banks, the principal items of increase being, loans and discounts, $261,511,562; U. S. bonds, $12,570,520; due from National and other banks, $35,217,372. There was an increase in capital stock of $50,193,537, in surplus and other profits of $65,048,357, and in individual deposits of $271,520,660.

Comparing conditions on September 30, 1892, with those shown in the last report, it will be seen that the number of active associations has increased from 3,773 to 4,601, or a net increase of 828. The aggregate resources of the associations increased during the decade $2,603,834,015; loans and discounts, $1,109,086,393; bonds on deposit as security for circulation, $160,978,460 and specie and legal-tender notes, $157,119,741 and $37,489,673, respectively. While the capital of the associations increased only to the extent of $18,962,402, the surplus and undivided profits are now greater than in 1892 by $155,086,287. The volume of individual deposits increased from $1,765,422,984 to $3,209,273,894, or nearly eighty-two per cent. While the outstanding circulation has increased $174,568,511, or over 122 per cent., there was no material increase until subsequent to March 14, 1900, the date of the act authorizing the issue of circulation to the par value of bonds on deposit.

Bonds and Circulation.

At the close of March 13, 1900, the day preceding the approval of the act authorizing the issue of National bank circulating notes to the par value of bonds on deposit, the Treasurer held securities for that purpose to the amount of $243,651,420; on October 31, 1901, he held $329,833,930; on October 31. 1902, 338,352,670, of which approximately 95 per cent. were in 2 per cent. consols of 1930.

During the year 1902 circulating notes were issued to new associations, to replace redemptions, and to banks increasing their issues, in the sum of $133,309,440, of which notes of the denomination of $5 amounted, approximately, to $25,000,000; $10, to $57,000,000; $20, $38,000,000; $50, $4,000,000, and $100, $8,000,000.

The volume of circulating notes issued from December, 1863, to October 31, 1902, was $2,630,795,575, of which $2,250,397,465 has been redeemed. During the past year there was received for redemption at the redemption agency of the Department notes amounting approximately to $175,000,000, of which $57,000,000 were in good condition and returned to the banks of issue, and the balance redeemed and destroyed. Of the total amount sent to the Department for redemption, $145,000,000, or over 80 per cent., came from the cities of New York, Boston, Chicago, Philadelphia, and St. Louis, and nearly 50 per cent. ($85,000,000) from the city of New York alone. The cost of assorting this volume of notes, including transportation charges, was 92.444 cents per $1,000. The aggregate cost of redemption for the year was $153,796. In addition to this expense, the banks paid $1,633,309 semi annual duty on circulation, $57,625 for plates from which notes were printed, and $307,296 examiners' fees, and $1,833,430 tax on capital and surplus, making a total expense of $3,985,457.

At the close of the report year there were eleven banking associations in operation, with an aggregate capital of $5,660,000, and with bonds deposited with the Treasurer to the amount of $340,000, which had not issued circulating notes. Included in the number are some associations which never have availed themselves of the privilege of issuing notes.

Organization of National Banks.

The act of 1863 provided for the organization of National banking associations to continue in operation for the period named in their articles of association, but not for a longer period than twenty years from February 25 of that year. Under the provisions of this act 488 associations were organized, of which 273 are still in existence.

On June 3, 1864, the National Bank Act of 1863 was repealed and re-enacted with certain important amendments. Associations under this act have been incorporated to the number of 5,173, of which 3,607 are in active operation.

The last amendment affecting the organization of National banking associations formed a portion of the act of March 14, 1900, and empowered the Comptroller of the Currency to authorize the organization of banks with minimum capital of $25,000 in places having population not exceeding 3,000. From the date of the passage of the act to October 31 last there have been organized 805 associations with capital less than $50,000, generally with $25,000, the minimum amount authorized under that act. One of the banks of this class was placed in charge of a Receiver and thirteen in voluntary liquidation, leaving 791 in active operation.

From March 14, 1900, to October 31, 1902, there were organized 1,212 associations, with total capital of $70,159,500, and bond deposit as security for circulation of $17,321,550. Banks to the number of 407, with capital of $49,060,000, were organized under the provisions of the act of 1864, and 805, with capital of $21,099,500, under the act of March 14, 1900.

Section 5154 of the Revised Statutes of the United States provides, in part, that any bank incorporated by special law or organized under a general law of any State may become a National banking association upon execution of articles of association and organization certificate by a majority of the directors of the State bank, upon authority of shareholders representing two-thirds of the stock. During the period covered by the foregoing table, 158 State banks, with capital of $11,490,000, were converted into National banking associations, of which 107, with capital of $2,835,000, were of the class authorized by the act of March 14, 1900, and 51, with capital of $8,655,000, under authority of the prior act. While the act cited provides that the capital of any State bank converted into a National bank shall be the same as it existed immediately before conversion, the law is construed as pro-

hibiting conversion with a less amount of capital than that required by a bank of primary organization.

Where a bank with capital less than the necessary amount desires to convert, it is required to increase the capital to the requisite amount under the laws of the State, prior to the execution of the articles of association and organization certificate. When a State institution, to be converted, has filed with the Comptroller all the papers incident thereto and deposited the requisite amount of bonds as security for circulation, an examination is ordered to determine whether the assets are of a character which a National banking association can lawfully hold. If assets, the holding of which contravenes the provisions of the National Banking Law, are found, their disposition is required prior to the issue of certificate authorizing the beginning of business. It is frequently found advisable to place the State bank in liquidation and organize anew, as is required in the case of the organization of a bank to succeed an unincorporated bank. This course has many advantages in that it enables the organizers to obtain more desirable shareholders, more choice assets, and to begin business with the amount of capital required by law actually paid in cash.

State or private banks reorganized as National banking associations since March 14, 1900, numbered 363, with aggregate capital of $20,935,000. Of these banks, 242, with capital of $6,715,000, were with individual capital of less than $50,000, and 121, with capital of $14,220,000, of the larger class.

Banks of primary organization numbered 691, with total capital of $37,734,500, of which 456, with capital of $11,549,500, were of the class authorized by the act of March 14, 1900, and 235, with capital of $26,185,000, with individual capital of $50,000 or over.

In the year ended October 31, 1902, 470 banks were chartered, with $31,130,000 capital, of which 302, with capital of $7,905,000, were of the smaller class, and 168, with capital of $23,225,000, with individual capital of $50,000 or over. There was an average of one and a half banks organized on every secular day of the year.

On October 31, 1901, the authorized capital stock of National banking associations in active operation was $663,224,195, and on October 31, 1902, $713,435,695. The net increase was, therefore, $50,211,500, which, however, includes $365,000, the capital of the banks in liquidation whose bonds have not been withdrawn and the stock account closed.

The increase of capital by newly-organized associations was $31,715,000, including the capital of new banks, which increased their capital subsequent to organization and by old associations increasing their capital $48,506,500. During the year seventy-two associations were closed by voluntary liquidation or expiration of charter, the capital of the banks being $22,190,000. Banks liquidated under section 5220, United States Revised Statutes, numbered sixty-three with capital of $21,025,-000, and expirations of corporate existence, nine with capital of $1,165,000. The reduction of capital by the action of shareholders of active associations amounted to $3,135,000, and by insolvent banks, $50,000.

Voluntary Liquidation—Expiration of Corporate Existence and Reorganization.

Within a period of three years subsequent to the establishment of the National banking system, fourteen associations had been placed in voluntary liquidation under the provisions of section 5220 of the Revised Statues of the United States—that is, by vote of the shareholders owning two-thirds of capital stock. Of the number, however, three were reorganized under similar titles and one was absorbed by another association.

During the existence of the system, year ended October 31, 1902, 1,288 associations, with aggregate capital of $210,065,060, were liquidated under the authority

conferred by the act cited, of which, however, 136, with capital of $38,555,000, were reorganized under similar titles. It is understood that some of the banks which were placed in liquidation were absorbed by other associations, but the records of this office do not contain sufficient information on this point to enable even an approximate estimate to be made of the number.

Under the provisions of the act of February 25, 1863, ninety-eight banks were organized, whose corporate existence ran for a period of but nineteen years, in consequence of which their charters expired in 1882. Up to the close of the report year, 1902, 123 banks, with aggregate capital of $18,979,500, reached the termination of their corporate existence and were closed under the provisions of section 7 of the act of July 12, 1882. Of the number, seventy-five, with capital of $12,557,900, reorganized under similar titles. Summarizing the foregoing, it appears that, under the provisions of both acts cited, 1,411 banks, with capital aggregating $229,044,560, passed out of the system.

Liquidation and Consolidation.

The National Currency Act, which follows closely the material features of the Banking Law of the State of New York, contains no statutory provision authorizing the consolidation of banking associations in the manner provided by the New York law. The law of that State empowers shareholders owning at least two-thirds of the capital stock of the interested corporations to consent in writing to consolidation, and authorizes the directors of each corporation to enter into an agreement for consolidation, prescribing the terms and conditions, the name of the new or consolidated bank, the directorate, term of charter, manner of converting shares of the old into shares of the new or consolidated bank. When such agreement has been filed with and approved by the State Superintendent of Banks, the consolidated corporations become a single corporation, with the same franchises, rights, liabilities, etc., of the constituent corporations.

The act provides that dissenting shareholders shall be paid the value of their stock, and the stock so surrendered held and disposed of by the new corporation for its own benefit.

The only reference to the subject of consolidation in the National Bank Act appears in the Act approved July 14, 1870 (U. S. Rev. Stat., sec. 5223), and is to the effect that any association closing its affairs (by voluntary liquidation), under authority of law, for the purpose of consolidating with another association, shall not be required to deposit lawful money to provide for its outstanding circulation, but its assets and liabilities shall be reported by the association with which it is in process of consolidation.

By implication, this provision would appear to authorize the assignment of bonds on deposit with the Treasurer of the United States to secure the circulation of the liquidating bank to the absorbing association and require the maintenance of a redemption fund for the outstanding issues of the bank which has gone into liquidation. With the redemption of issues of the closed bank would follow the issue of a like amount of notes of the absorbing association. As a matter of fact, this permissive feature in full has never been availed of by an association absorbing the business of one placed in liquidation, as it has been found more advantageous to deposit lawful money to redeem the notes of the liquidated bank and to simultaneously issue new notes of their own on bonds deposited.

Consolidation, therefore, can only be effected by one of the following methods:

First. Without an increase of capital the directors of the absorbing bank may enter into a contract with the directors or agents of the liquidated association to purchase its assets, assume liabilities to depositors and other creditors, and to pay to shareholders for their stock the value of assets purchased in excess of liabilities to depositors and other creditors, less any expenses incident to liquidation.

Second. By increasing the capital stock of the absorbing bank to an amount equal to that of the liquidated bank, the additional shares may be sold to the stockholders of the latter, consent thereto having been previously obtained from shareholders of the absorbing association. As the law is construed as requiring the payment of capital, original or on account of increase, in money, and not in "evidences of debt," the right to accept assets representing stock of the closed bank, and to issue therefor certificates in the continuing bank, is not recognized. In every such case shareholders of the closed association are paid the value of their stock, the proceeds being available in payment of shares to which they may be entitled in the absorbing corporation.

The pre-emptive right of shareholders to participate pro rata in an increase is well recognized, and it is generally incorporated in the articles of association. In order to avoid possible litigation, the course usually pursued is to secure waivers of right to participate from shareholders of record. Provision having thus been made for shareholders of the closed bank, the directors of the continuing bank are at liberty to contract for the purchase of assets and the assumption of liabilities to depositors and other creditors of the liquidated bank.

Third. The remaining method, and one occasionally pursued, is to place the interested banks in voluntary liquidation, under section 5220 of the United States Revised Statutes, organize anew, and acquire, in the manner hereinbefore outlined, the business of the liquidating associations. This enables the incorporators to place the stock as they may determine.

In view of the foregoing it is recommended that section 5228 of the Revised Statutes of the United States be amended to provide, in effect, for consolidation of National banks on the lines of the law of the State of New York, except that the corporate existence of the closing bank shall be terminated as provided by section 5220, and that where the capital stock of the absorbing bank is increased for the pnrpose in conformity with the provisions of section 5142 that the new stock may be issued to shareholders of the closing association upon surrender and cancellation of their old shares at the book value of the stock of the absorbing bank, but not less than par. It is also suggested that in the event of the acquirement of business of a closed National banking association by another association, but without the consolidation of shareholders' interests, that upon increase of the capital stock of the absorbing bank for the purpose, directors of the association shall be authorized by vote of shareholders representing two-thirds of the stock to sell the additional shares as the interests of the association may demand, regardless of the recognized pre-emptive right of shareholders to participate pro rata when an increase is effected for purposes other than of consolidation.

The consolidation of business interests, in general, throughout the country has had its counterpart in the banking business, as evidenced by liquidations of National banks during the past year for consolidation either with institutions of the same class or State banks or trust companies. Of the total number of liquidations effected the business of forty-six associations was absorbed by other National banks, eleven by State banks or trust companies, and but fifteen closed to go out of business.

Extension of Corporate Existence of National Banking Associations.

The act of July 12, 1882, provided that any National banking association organized under the act of February 25, 1863, or subsequent acts, may at any time within two years next previous to the date of expiration extend its corporate existence for a term of not more than twenty years by amending the articles of association; that the amendment shall be authorized by the consent, in writing, of shareholders owning not less than two-thirds of the capital stock; that the board of directors shall cause such consent to be certified to the Comptroller of the Currency,

accompanied by an application for approval of the amendment; that such amended articles shall not be valid until the Comptroller shall give his certificate that the association has complied with all the provisions required to be complied with; that upon receipt of the application and certificate of the association a special examination shall be made to ascertain the condition of the association, and that if the condition is shown to be satisfactory, by the special examination or otherwise, certificate of approval of extension shall be granted.

Section 5 of the act provides that any shareholder not assenting to amendment for extension shall give notice in writing to the directors within thirty days from date of the certificate of approval of his desire to withdraw, in which case he shall be entitled to receive from the bank the value of the shares so held by him, to be ascertained by an appraisal.

The act cited is construed as conferring discretion upon the Comptroller as to the date on which he shall issue certificate approving extension of the corporate existence of a National banking association which has complied with the provisions of law in relation to the amendment of the articles—that is, while the act apparently authorizes the issue of a certificate at any time within two years prior to the date of expiration of corporate existence, it is held that the approval of the extension must be based upon the condition of the association as shown from the report of an examination made a short time prior to expiration of the original charter, and that, as the right of a shareholder to give notice of intention to withdraw is required to be made within thirty days from date of granting of extension, the certificate of extension is issued on or about the date of expiration of charter.

There is nothing in the law relating to extension which requires a meeting of stockholders or the giving of notice to them of the date of termination of corporate existence. The position is taken that shareholders are presumed to know the limit of the corporate existence of the association in which they are interested, and that they will conclude that their right of dissent to extension begins to run from the date of issue of certificate of extension—that is, from the date of termination of the original charter. Under the law as it exists, without the initiative is taken by the board of directors or shareholders desiring to effect an extension, the corporate existence of an association will expire by limitation without action by stockholders.

It is within the power of directors controlling a two-thirds interest to effect the necessary amendment for extension without advising the minority of their purpose, and were the Comptroller's certificate to be issued at a long time (within two years) prior to the date of expiration, minority shareholders might have no knowledge of the conditions and thus forfeit their rights to give notice of intention to withdraw. The law does not require the publication of notice of extension of charter, although it has been the policy of the office to require the publication of the certificate for a period of at least thirty days from date of issue.

In the interest of stockholders of National banks the acts of July 12, 1882, and April 12, 1902, should be amended to provide for amendment of articles of association in relation to extension in the same manner as other amendments of the articles are effected; that is, by calling a meeting of shareholders, notice to be given by publication or mail thirty days in advance, unless otherwise provided by the articles of association or the by-laws, and the adoption of a resolution to extend for an additional period of twenty years. Such an amendment to the acts might also well be supplemented by a provision for publication of certificate of extension, and that the certificate shall not be issued until the day on which the old corporate existence ends, except in the event of termination of charter on Sunday or holiday, in which event the certificate should be issuable on the day prior.

The condition of an association proposing to extend can be satisfactorily ascertained only by an examination made within two or three months prior to termina-

tion of charter. Immediately upon receipt of report of examination the office is able to determine whether certificate of extension will be issued and to advise the bank in interest of that fact. An association which has been in operation for a period of twenty years is occasionally found to have acquired a certain amount of undesirable assets, some of which may be held in contravention of the provisions of the banking law. Losses and assets of the character referred to are, as a rule, required to be disposed of prior to approval of request for extension of charter.

INSOLVENT NATIONAL BANKS.

The Comptroller reports with satisfaction that fewer National banks have failed during the past year than during any previous similar period of the history of the National banking system. Not only have there been fewer failures, but the total liabilities are much less than ever before.

During the year covered by this report only two failures of National banks occurred, and one bank, which went into voluntary liquidation May 20, 1897, was placed in the hands of a Receiver for the purpose of collecting an assessment from the stockholders to cover a deficiency in assets the liquidation of which did not yield sufficient to pay the claims of creditors in full.

The aggregate liabilities of the two banks closed during the year were $369,948, and the unsatisfied claims against the liquidating bank placed in the hands of a Receiver amounted to $138,492.

From April 15, 1865, to October 31, 1902, 406 banks have been placed in the hands of Receivers, with aggregate liabilities amounting to $186,731,459, against which claims were settled amounting to $144,272,471, or 71.91 per cent.

The liquidation of insolvent banks, including Receivers' salaries, legal expenses, etc., have been effected at a cost of about 8.9 per cent. of the total collections.

Special effort has been directed during the year to the termination of Receiverships, the payments of dividends, and the reduction of expenses.

An examination of the reports relating to the liquidation of insolvent National banking associations develops the fact that the total amount of claims proved against all trusts placed in the charge of Receivers, from the date of the first failure in 1865 to October 31, 1902, aggregated $139,389,202, and that the approximate loss was $37,956,941. Practically, the affairs of every bank which failed prior to 1892 have been finally liquidated, and in calculating the total amount of loss it has been assumed that trusts still open will be finally liquidated at an average loss not greater than 25 per cent.

For the purpose of comparison there is submitted herewith a statement of the annual (average) deposits in active National banking associations, and the ratio of annual loss sustained by creditors of insolvent National banks to the average deposits, together with the amount of claims proved and aggregate and average loss sustained by creditors.

Annual (average) deposits in active National banks, 1865-1902	$1,202,871,178
Total claims proved against insolvent National banks	139,389,202
Total loss to creditors (actual, 1865-1892, and estimated at 25 per cent. of claims, 1893-1902)	37,956,941
Average annual loss	998,867
Average rate per cent. of loss on claims	27.23
Average (annual) rate per cent. of loss based on average deposits in active National banks	0.083

THE NATIONAL BANKING SYSTEM.

On February 25, 1903, the National banking system will have been in existence forty years.

The principal objects had in view by the framers of the creative law were the making of a market for the loans which the Government was making and the furnish-

ing of bank-note currency secured by bonds which would circulate at par with Government issues and supplant the heterogeneous mass of currency then in circulation, worth par to a certain extent, but in many instances only a fraction of the nominal value.

Prior to 1863 such issues represented a large proportion of the currency of the country, and from 1810 to 1842 ranged from a minimum of 48.27 per cent. in 1810 to a maximum of 75.06 per cent. in 1832, the average for the entire period exceeding sixty per cent. In 1843 the volume of money in the country amounted to $148,563,-608, of which $58,563,608 represented bank notes. The percentage of bank notes on that date was 39.39, a fall from 51.13 in the year prior. From 1844 to 1863 a very nearly uniform ratio of bank notes to total money of the country was maintained, the percentage of the former averaging approximately forty-five. At the close of the fiscal year ended June 30, 1863, the total money in the country amounted to $674,867,283, of which $238,700,000 was in State bank notes, $411,167,283 Government issues, and the balance specie.

The first issue of National bank circulation was in December, 1863. In 1865 State bank notes were legislated out of existence by the imposition of a prohibitive tax on their circulation. In 1867 National bank notes formed 41.08 per cent. of the money in the country, and continued at that rate, approximately, until 1871, when it rose to 43.74 per cent., amounting to about 44.75 per cent. in 1872 and nearly forty-five per cent. in 1873. From the latter date there was a rapid annual decline to 1892, when such issues represented only a slight amount in excess of one-tenth of the circulating medium of the country. In 1893 the percentage was twelve; in 1896, 13.02; declined to eleven in 1897 and 1898, but rose to 14.17 in 1900, to 14.49 in 1901, and to 14.84 in 1902. At the close of the last fiscal year, of the total money in the country, $2,563,266,958, but $380,476,334 was in bank-note currency.

National bank notes do not appear to have formed as large a proportion of the circulating medium of the country as was anticipated, the primary causes being:

(1) The volume of greenbacks (legal tenders) issued, the extensive use of instruments of credit, and enormous coinage of gold and silver. The coinage from bullion and worn and mutilated coins, from January 1, 1863, to October 31, 1902, aggregated $2,554,798,487, of which $1,777,738,637 was gold, $741,024,759 silver dollars and subsidiary silver, and $36,035,090 minor coins. The recoinage from 1863 to 1878 was very limited, but information as to the exact amount is not available. The records in the office of the Director of the Mint show, however, that from 1873 to 1902, inclusive, recoinage of gold amounted to $58,296,863; of silver, $64,199,671; of minor coins, $3,652,216, an aggregate of $126,148,751, or a fraction less than five per cent. of the total coinage from 1863 to 1902.

(2) Restriction of issues of notes of the denomination of $5 to one-third of the amount issuable by any association subsequent to March 14, 1900. The evident intent of Congress in incorporating this restriction of the act of March 14, 1900, was to limit the total issues of notes of that denomination to one-third of the aggregate amount issued. As a matter of fact, this proportion has not been exceeded since 1874. The year prior to the passage of the act notes of this denomination amounted to but 31 per cent. of the total, declined in 1900 to 21, to 16.2 in 1901, and to 16.1 in 1902.

(3) Inelasticity, by reason of the monthly limit of the amount which may be withdrawn from circulation by depositing lawful money therefor.

Section 9 of the act approved July 12, 1882, limits the amount of lawful money which may be deposited with the Treasurer of the United States by National banks reducing their circulation to $3,000,000 during any calendar month.

The repeal of this provision is respectfully recommended, as its removal from the statute would, it is believed, add to the elasticity of National-bank circulation. It

has served it purpose. and there does not appear to be any good reason why it should continue longer in force.

Two of the principal reasons which contributed to the restrictive legislation referred to no longer prevail as a necessity for continuance of this limitation provision in the statute, leaving but one other cause than advanced as an argument for this enactment to be considered in connection with its repeal, namely, the danger and possibility of too great a contraction of bank-note currency by reason of the temptation offered the banks to avail themselves of the greater profit to be derived through withdrawal and sale of their bonds held as security for circulation, by the prevailing high premium on bonds, particularly at a time when the legitimate business needs of the country demand an increase rather than a reduction of circulation.

Subsequent experience, however, has demonstrated that there were very slight grounds for this apprehension.

When circulation was limited by law to ninety per cent. of the par of the bonds deposited, the market value of the bonds and the ten per cent. margin over note issues were incentives to the banks to curtail their circulation whenever the premium on the bonds became exceptionally high, or whenever they needed more loanable funds, as more money was at their disposal after reducing their circulation and selling their bonds by ten per cent. plus the premium on the bonds than they had before.

The act of March 14, 1900, however, minimized the temptation to operations of this character by increasing the issue of circulation to par of the bonds, thereby giving to the banks dollar for dollar of their bond deposit. Since this enactment, therefore, the only incentive for the banks to operate in the securities of the Government is the premium on the bonds. The volume of circulation, however, does not appear to have been materially affected by transactions of this character, either before or since the adoption of the three million limitation in the act of July 12, 1882, either in periods of stringency or redundancy of National bank circulation.

The act of June 3, 1864, provides for the surrender by the banks of their own notes in sums of not less than $1,000 and the return to them of a like amount of their bonds. While it was and still is within the power of the banks, under authority of this provision, to retire the whole amount of their note issues which may come into their possession, notwithstanding the three-million limitation in the act of July 12, 1882, the reduction of circulation through this source has been inconsiderable.

The restriction against an increase in circulation, within six months from the date circulation was last reduced, was repealed by the act of March 14, 1900.

The limitation against a reduction of circulation in excess of $3,000,000 a month, should also be repealed.

Bank-note circulation, secured by bonds, should be unrestricted, except as to limiting the maximum amount of such issues to the capital of the respective banks, as now provided by law. The volume of circulation should be governed by the business needs of the country. If the banks are expected to increase their note issues to meet unusual and temporary demands for more money in their respective communities, they should be as free to promptly retire the whole or any portion of such issues when the demand for money has subsided. Many banks refrain from increasing their circulation during such periods of commercial activity, because of their inability to promptly retire it upon a return to normal business conditions.

A repeal of the three-million limitation, it is believed, will contribute materially to the elasticity of the currency.

(4) Insufficient profit, as evidenced by the comparatively limited amount of circulation issued subsequent to the removal of restrictions by legislative enactments on July 12, 1882, and March 14, 1900.

The act of February 25, 1863, as amended by the acts of June 3, 1864, and July 12, 1870, limited the amount of National bank circulation issuable to $354,000,000, to be

apportioned to associations in the States and Territories, according to representative population. Each association, with capital not exceeding $500,000, was entitled to issue notes on the security of bonds to ninety per cent. of its capital; banks with capital exceeding $500,000 and less than $1,000,000, eighty per cent.; with capital exceeding $1,000,000, but not exceeding $3,000,000, seventy-five per cent.; and with capital exceeding $3,000,000, sixty per cent.

The act of June 20, 1874, authorized an additional issue of circulating notes to the amount of $55,000,000, but it was not until 1882 that all banks were placed on the same basis, with respect to the amount of circulation issuable on bonds. By the act of July 12, 1882, every association was entitled to receive from the Comptroller and to issue circulating notes to the extent of ninety per cent. of the bonds deposited, the amount of the bond deposit being limited to 100 per cent. of capital. The act of March 14, 1900, authorized issues to the par value of bonds deposited not exceeding the capital stock.

Profit on Circulation.

The profit on National bank circulation, secured by $100,000 of bonds of various classes available for that purpose, at the market price of securities on October 31, 1899 to 1902, as calculated by the Government Actuary, is shown below. In the computation, money is assumed to be worth six per cent. per annum.

On October 31, 1902, consols of 1930 were quoted at 110.087. The profit on circulation secured by that class of bonds, in excess of six per cent. on the investment, is shown to be $684.40, or 0.622 of one per cent. The profit on circulation secured by three per cent. bonds, loan of 1908, is 0.168 per cent., and on security of four per cents of 1907, is 0.185 per cent. By reason of the high premium on the loan of 1925, namely, 36.3859, and the short time the loan of 1904 has to run, there is no profit over six per cent. on the amount invested in bonds on circulation covered by these two classes of securities.

Taxes and Other Expenses.

From 1863 to 1902 the banks have paid the Government, in tax on circulation, over $90,000,000; on capital and deposits, from 1863 to 1883, nearly $69,000,000; on capital and surplus, under the war revenue act of 1898, about $7,000,000. In addition to these taxes, the banks paid over $4,500,000 for the redemption of their circulation from 1874, the year the National bank redemption agency was established, to June 30, 1902, and from 1883 to 1902 about $630,000 for plates from which circulating notes were printed, or an aggregate, approximately, of $171,000,000.

The expenses of the office of the Comptroller of the Currency from 1863 to the close of the fiscal year of 1902 were $9,358,482, and including contingent expenses not paid by the Comptroller, but from the general appropriation for contingent expenses of the Treasury Department, the amount did not exceed, it is estimated, $19,000,000, which is about one-ninth of the taxes paid and other expenses hereinbefore enumerated.

State Banks, Private Banks, and Trust Companies.

From official sources and from banks direct returns have been received relating to the condition of 7,889 incorporated and private banks and bankers, with aggregate resources of $7,355,110,843. Reports were received from 5,397 commercial banks, 417 loan and trust companies, 1,036 Savings banks, of which 657 were of the mutual class, *i. e.*, without capital stock, and from 1,039 private banks and bankers.

The capital stock of the State banks is $276,991,398, and individual deposits $1,698,185,287. The number of reporting banks of this character is 414 greater than in 1901, and there is shown an increase in assets of approximately $149,000,000.

In 1901 reports were received from 334 loan and trust companies having aggre-

gate resources of $1,614,981,605. For the current year reports have been received from 417 corporations of this character having assets of $1,983,214,707.

Returns were obtained from 1,039 private banks and bankers against 917 in 1901. The assets of banks of this character, on the latter date, were $149,104,846, and in 1902 they were $169,364,435.

The statement of volume of money in the country and the average per capita, issued by the Treasury Department in June last, gives the per capita of money in circulation as $28.53. The Savings bank returns show that if the deposits were distributed each inhabitant would be entitled to $34.89, or $6.36 per capita more than the average per capita circulation.

Consolidated Returns from State, Savings Banks and Trust Companies.

For purposes of comparison there is given herewith a table showing the principal items of resources and liabilities of banks other than National in the years 1897 to 1902, inclusive:

Items.	1897.	1898.	1899.	1900.	1901.	1902.
Loans	$2,231,018,262	$2,480,874,360	$2,659,940,630	$3,018,449 827	$3,444,377,672	$3,942 592,907
Bonds	1,248,150,146	1,604,890,322	1,527,595,160	1,723,830,851	1,985,625,964	2,094,496,729
Cash	193,094,029	194,913,450	210,884,047	220,667,109	240,14[illegible],951	250,815,787
Capital	380,090,778	370,073,788	368,746,648	403,192,214	430,401,557	499,621,208
Surplus and undiv. profits	382,436,990	399,706,497	418,798,087	490,654,957	538,866,278	614,509,805
Deposits	3,324,254,807	3,664,797,296	4,246,500,852	4,780,893 692	5,518,804,859	6,005,847,214
Resources	4,258,677,065	4,631,328,357	5,196,177,381	5,841,658,820	6,681,567,334	7,355,110,843

In the following table are shown the principal items of resources and liabilities of the National banks on July 16, 1902, of other banks and banking institutions on or about June 30, and consolidated returns from all reporting banks:

	4,535 National banks.	7,889 other banks.	12,424 banks.
Loans	$3,246,516,854	$3,942,592,907	$7,189,109,761
United States bonds	459,973,034	63,273,530	523,246,564
Other bonds	484,956,796	2,031,223,199	2,516,179,995
Cash	597,287,908	250,815,787	848,103,695
Capital	701,990,554	499,621,208	1,201,611,762
Surplus and profits	482,377,442	614,509,805	1,096,887,247
Deposits	3,222,841,897	6,005,847,214	9,228,689,111
Aggregate resources	6,008,754,975	7,355,110,843	13,363,865,818

Information has been obtained with respect to the capital, amount, and average rate per cent. of dividends paid by State banks and by loan and trust companies submitting information of that character for the year ended on or about June 30, 1902. Reports covering the subject were received from 2,160 banks, with capital of $122,874,222, showing the payment of dividends to the amount of $10,941.669, or an average of 8.9 per cent., and from 337 of the loan and trust companies, the dividends paid amounting to $12,407,163, on capital stock of $138,848,992, or an average rate of 8.97 per cent.

State and Private Bank Failures.

Mr. Frank Green, managing editor of "Bradstreet's," has courteously furnished a summary of the information obtained by the Bradstreet agency relating to the number of State and private banks which have failed during the year ended June 30, 1902, accompanied by a statement of the total liabilities and assets. The number of failures was forty three, the assets of the banks being $4.823,737 and the liabilities $10,882,666. Included in the number of failures were twelve State banks, ten Savings banks, twenty private banks, and one trust company. Without recourse to the reports of Receivers or assignees, presumed to be filed with the court appointing

the liquidating agents, it is impossible to ascertain the results of liquidation of the affairs of banks of this character.

Since 1882 the number of banks has increased over 120 per cent., and since 1892, seventy-three per cent. During the first decade in question there was an increase of fifty per cent. in capital, and from 1883 to 1902 of eighty-eight per cent. From 1882 to 1892 deposits increased $1,829,000,000, or sixty-four per cent., and from 1882 to 1902 the increase was $6,857,000,000, or over 240 per cent.

In 1882 the capital stock of National banks represented 67.01 per cent. of the capital of all banks; in 1892, 63.9 per cent., and in 1802, 52.4 per cent. The deposits in National bank associations in 1882 represented 39.7 per cent. of the aggregate; in 1892, 37.8 per cent., and in 1902, 33.2 per cent. Eliminating, however, the deposits in mutual Savings banks in each of the years mentioned, and basing the comparison on the deposits in National banks with capitalized State and private banks, it is shown that deposits in National associations represented, in 1882, sixty per cent. of the total; in 1892, 54.9 per cent., and in 1902, 47 per cent. In number the National banks increased since 1882, 2,296, or about 100 per cent., while State and private banks, excluding mutual Savings institutions, increased from 4,434 to 10,964, or over 147 per cent.

Transactions of Clearing Houses.

From reports made to the Manager of the New York Clearing-House by the 97 clearing-house associations of the country for the year ended September 30, 1902, the volume of exchanges is shown to have amounted to $116,021,618,003, compared with $114,819,792,086 for the year 1901. The transactions of the New York Clearing-House Association for the current year amounted to $74,753,189,436, which was a decrease of $2,267,483,058 as compared with the prior year. The clearings of the New York association amounted to 64.4 per cent. of the total clearings reported. The settlements of exchanges of the New York Clearing-House were effected by the use of only 4½ per cent. of money—that is, approximately, 3⅓ billions in settlement of exchanges aggregating 7¾ billions. In these settlements United States and clearing-house gold certificates to the extent of 99.97 per cent. were used. The transactions of the Assistant Treasurer of the United States at New York with the clearing-house during the year ended September 30 aggregated $412,945,017.

Cost of Operations of National Banking Associations.

In the following table is shown, by classes, the capital stock, cost of operation exclusive of taxes, average amount of loans and discounts, and percentage of cost of operation to loans, and average rates of interest received on loans and discounts.

Classification.	*Number of banks.*	*Capital stock.*	*Cost of operation, exclusive of taxes.*	*Average amount of loans and discounts.*	*Percentage of cost of operation to loans and discounts.*	*Average rate of interest received on loans.*	*Excess of interest rate above expense rate.*
Banks with capital of—						Per ct.	Per ct.
$1,000,000 or over.....	102	$167,205,700	$13,991,128	$1,051,957,949	1.33	5.17	3.84
$500,000 or over......	149	82,242,560	7,267,656	399,587,429	1.82	5.82	4.00
$200,000 or over......	551	140,001,800	12,595,602	618,101,337	2.04	6.26	4.22
$100,000 or over......	1,196	132,343,130	12,158,229	520,648,772	2.34	6.83	4.49
$25,000 or over.......	1,541	83,142,820	8,526,600	307,221,685	2.78	7 40	4.62
$25,000...............	291	7,275,000	838,871	19,701,231	4.26	7.75	3.49
Total	3,830	$612,211,010	$55,379,086	$2,917,218,408	......	......	......

From the foregoing it appears that the cost of operation, based upon the average volume of loans and discounts, ranged from a minimum of 1.33 per cent. for the largest class of banks, to a maximum of 4.26 per cent. for banks with the minimum amount of capital stock. The average rates of interest received show a similar variation, but in inverse order.

In the following table is shown the amount of taxes paid to the general Government on capital and surplus under the war revenue act of 1898, on circulating notes outstanding, and to the States, counties, etc., on shares of stock and banking premises. In relation to the State taxes it is to be said that the returns submitted do not show, in all cases, the amount of tax paid on banking premises in addition to that on shares of stock for the reason that the total tax assessed was represented by one amount. Of the $14,485,804 taxes paid, $11,310,787 represents the amount paid to the States, etc., and $3,175,017 to the United States. The table relating to the amount of taxes paid is as follows:

Taxes Paid.

Classification.	State taxes paid year 1901-2.			United States taxes paid year 1901-2.			Total of all taxes.
	On banking premises.	*On shares.*	*Total.*	*On capital and surplus.*	*On circulation.*	*Total.*	
Banks with capital of—							
$1,000,000 or over	$328,713	$2,594,674	$2,923,387	$420,594	$259,880	$680,474	$3,603,861
$500,000 or over	175,248	1,331,518	1,506,766	239,138	173,024	412,162	1,918,928
$200,000 or over	288,391	2,433,120	2,721,511	420,394	390,830	811,224	3,53[illegible],735
$100,000 or over	223,353	2,458,499	2,681,852	393,918	402,403	796,321	3,478,173
$25,000 or over	148,886	1,228,062	1,376,948	220,935	221,276	442,211	1,819,159
$25,000	11,473	88,850	100,323	15,768	16,857	32,625	132,948
Total	$1,176,064	$10,134,723	$11,310,787	$1,710,747	$1,464,270	$3,175,017	$14,485,804

In the table following is shown the percentages based on capital stock of the cost of operation, exclusive of taxes; State and Government taxes, respectively; cost of operation, including all taxes, and the amount and per cent. of net earnings and dividends for the year ended March 1, 1902, of banks reporting cost of operation.

There, of course, is no question as to the greater relative expense of operating banks with the minimum amount of capital stock than of associations with the larger volume, but by comparing the percentage of cost of operation based on the average amount of loans and discounts with cost based on capital, it would appear that the higher rates of interest obtained by the smaller banks in a large measure offset the smaller relative cost of operation of large banks. The cost of operation of the smallest class of banks, based on loans and discounts, is shown to be about three and one-fifth times greater than that of the largest class, while the cost of operation, exclusive of taxes based on capital stock of the smallest class of banks, is but 3.16 per cent. greater than that of the largest class.

In connection with the cost of operation there is shown in the table referred to the amount of net earnings, dividends paid and percentage of net earnings and dividends of capital for the year ended March 1, 1902, of banks reporting cost of operation. It will be observed that these percentages are not comparable with those relating to cost of operation, as the percentage of net earnings and dividends paid by banks with capital exceeding $25,000 and less than $100,000, generally $50,000 and $75,000, is shown to have been higher than any other class of banks.

The following tables contain a summary of the percentages of cost of operation, etc.:

Classification.	Percentages based on capital stock of—				Net earnings and dividends, year ended March 1, 1903.			
	Cost of operation exclusive of taxes.	Taxes.		Cost of operation including taxes.	Earnings.		Dividends paid.	
		State.	United States.		Amount.	Per cent.	Amount.	Per cent.
Banks with capital of—								
$1,000,000 or over....	8.37	1.75	0.40	10.52	$22,277.175	13.32	$13 603,715	8.14
$500,000 or over......	8.84	1.83	.50	11 17	9,866,638	12	6,232,5 5	7.58
$200,000 or over......	9.00	1.94	.58	11.52	17,575,010	12.55	11,641,593	8.32
$100,000 or over......	9.19	2.03	.60	11.82	16,124,902	12.18	11,050,182	8.35
$25,000 or over.......	10.25	1.66	.53	12.44	11,801,664	14.19	7,448,749	9.01
$25,000...............	11.58	1.38	.45	13.36	906,778	12.46	442,805	6.09

Branch Banks.

The inquiry is frequently submitted as to the right of a National bank to maintain a branch or agency, principally for the reception of deposits, elsewhere than at its banking house in the same or adjacent locality.

The only provision of law relating to branch banks, in the National Bank Act, is found in section 5155, United States Revised Statutes, and reads as follows :

> It shall be lawful for any bank or banking association, organized under State laws and having branches, the capital being joint and assigned to and used by the mother bank and branches in definite proportions, to become a National banking association in conformity with existing laws, and to retain and keep in operation its branches, or such one or more of them as it may elect to retain. * * *

The granting of this special privilege to the State banks and the absence of any similar provision in the law with respect to banks of primary organization have always been construed by the Comptroller to imply that banks of the latter class were not permitted to have branches. The section cited absolutely restricts branch banks of converted associations to such as have a definite proportion of the capital of the parent bank assigned to them, and it is not to be assumed that the law contemplated that associations of primary organization should be permitted to assign any portion of their capital to and operate branches.

This fact is further to be inferred from section 5138, United States Revised Statutes, which prohibits the formation of associations with less capital than $200,000 in cities of population exceeding 50,000, and contains similar provision with respect to banks organized in places with less population than 50,000.

To permit the establishment of branch banks would not only render possible an evasion of the provisions of section 5138, but tend to discourage the organization of banking associations which, in the absence of such branches, might be formed.

Section 5134 provides in part that the organization certificate of a National bank shall show "the place where its operations of discount and deposit are to be carried on," and section 5190 that "the usual business of each National banking association shall be transacted at an office or banking house (not at offices or banking houses) located in the place (not places) specified in its organization certificate."

The word "place" and "at an office or banking house" have always been construed by the Comptroller to mean the legal domicile of the corporation, of which it can have but one, and this construction is sustained by the Solicitor of the Treasury in an opinion rendered August 10, 1899, on the question of the right of a National bank to establish and maintain an auxiliary cash room at some point distant from its banking house, for the purpose of receiving deposits and paying checks.

The Solicitor says :

> This section (5190 U. S. R. S.) contemplates that the usual business of a National banking association shall be transacted at one office and banking house, and as receiving deposits and

paying checks belong to the "usual business" of a bank, I am of the opinion that the statute does not authorize the establishment of an auxiliary cash room in a different part of the city for the purpose proposed. Besides, it may be observed that if a National banking association can lawfully establish and maintain a separate office for receiving deposits and paying checks, it could as well establish as many of such auxilliary cash rooms in the city of its corporate residence as its business might require; and, indeed, the entire business of the bank may be parceled out and conducted in the same way all over the city.

The Supreme Court of the United States, in the case of Armstrong vs. Second National Bank, 38 Fed. Rep., 886, involving, among other things, the question of the right of a National bank to cash a check elsewhere than at its banking house, held that—

Under this section (5190) it certainly would not be competent for a National bank to provide for the cashing of checks upon it at any other place than at its office or banking house.

If, therefore, it is unlawful for a National bank to cash a check elsewhere than at its banking house, it is likewise unlawful for it to discount notes or to receive deposits elsewhere, for one is as much a part of the "usual business" of a bank as the other.

While it is obviously impossible for a bank to transact its entire business within the four walls of any single building it is not held that the law contemplates that the "entire business,"as distinguished from its "usual business," shall be transacted in its banking house.

In the case of the Merchants' National Bank vs. The State National Bank, 10 Wall. 604, it was held in this connection that—

The provision requiring the "usual business" of the association to be transacted "at an office or banking house specified in its organization certificate" must be construed reasonably, and a part of the legitimate business of the association which can not be transacted at the banking house may be done elsewhere.

The question involved in this case was the right of the bank's officers to purchase gold elsewhere than at its banking house, and the court held that—

The gold must necessarily have been bought, if at all, at the buying or selling bank, or at some third locality. The power to pay was vital to the power to buy, and inseparable from it.

The "legitimate business" of a bank, therefore, which a reasonable construction of the law would permit to be done elsewhere than at its banking house would seem to be restricted to transactions similar in character to that involved in the decision quoted, and not the ordinary and usual business of receiving deposits and cashing checks.

The argument has been advanced that clearing-house associations are equivalent to branch banks, and the recognition by the National Bank Act of the one affords warrant for the establishment of the other, but such argument has no apparent force, as the two institutions are entirely dissimilar in character and purpose. The principal object of the former is to facilitate exchange and to adjust balances between banks, while that of the latter is to transact the usual business of a bank with its customers.

While the National bank act does not in express terms prohibit the establishment and maintenance of branch banks or agencies by associations of primary organization, the implication to that effect is clear, and the courts have held that what is implied is as effective as that which is expressed.

That the act does not contemplate the operation of branch banks by National banks of primary organization is evidenced by the fact that in 1892 a special act was approved authorizing the operation of a branch by a Chicago National bank on the World's Fair grounds. In 1901 similar legislation was enacted by Congress in connection with the Louisiana Purchase Exposition, to be held in 1904.

Bond and Asset Secured Bank Circulation.

The most serious objection which has been urged against the National bank currency is its lack of elasticity—that it does not automatically respond to the demands of business, but is dependent upon the price of bonds and other considerations. The first requirement of any currency is safety and uniformity in value. Our bank notes have been from the first issue practically perfect in this respect. No note holder has ever lost a dollar, except by loss or destruction of the notes, which have always circulated at their face value in all parts of the United States, being used, without discrimination, for payments of all kinds, the same as the legal-tender and Treasury notes and other forms of paper currency. Our people have grown so used to bank notes, with this prime and essential quality of uniformity in value, that they have an instinctive prejudice against any change, for fear this quality may be lost or impaired. For more than a generation we have had no bank notes but those secured by more than their full value of bonds deposited with the Treasurer of the United States. They have been so secure, it is not surprising there is a strong feeling that they are the only kind of notes which are perfectly secure.

There can be no denial of the fact, and there is really none made, that the lack of elasticity is a serious defect in our bank notes, which greatly reduces their usefulness, not only under normal business conditions, but when there is danger of financial difficulty. If this defect can be remedied or lessened without impairing the safety of the notes, it should be done, and done at once.

All bank-note circulation is really asset currency, and depends for its value upon the assets of the issuing bank. In most countries the banks are allowed to keep the assets, maintaining a certain reserve in coin and using the remainder for loans, or in any other way. Our National banks are required to use their assets to the full amount of the circulation issued in the purchase bonds, to be deposited with the Treasurer of the United States. This requires an amount of assets in excess of the circulation received. It makes a very safe circulation, but is a very wasteful use of the assets. The resulting notes fulfill none of the requirements of an efficient and satisfactory circulation but in their safety and uniformity in value.

If, in addition to the amount of notes they are now allowed to issue by law on bonds deposited in the Treasury, the National banks were allowed to issue an additional amount of uncovered notes, beginning with twenty per cent. and gradually increasing to fifty per cent., it would make the circulation more expansible. A graduated tax on the amount issued, joined with ample provisions for their redemption and return to the issuing bank, would result in the necessary contraction when the circulation became redundant and the notes not needed in business. The safety of the notes can be made absolute by a reserve fund raised by a very small tax. During the almost forty years the National banking system has been in existence the total amount of the notes of the banks which have failed, outstanding at the time of their failure, has been less than $21,000,000. During this same period the banks have paid in taxes on circulation above $90,000,000, or four and one-half times as much as would have been required to pay all these notes if the bonds had not done so. If there had been outstanding the full fifty per cent. of uncovered notes suggested above, or $10,000,000 above those covered by the bonds, the taxes which have been paid would have been nine times the amount required to pay them, if, as would, of course, have been the case, the bonds had paid for the covered notes.

It has been urged against the idea of a guarantee fund that the strong banks would not take out the notes and pay the taxes for the benefit of the weaker banks. If the inducements to issue notes in the past have been sufficient to secure nine times the amount of taxes required, it is certainly a safe calculation that they will be sufficient in the future. In further confirmation of these figures, it is shown in the table

prepared in this office for Mr. Fowler, chairman of the Committee on Banking and Currency of the House of Representatives, and included in his able report on H. R. 13,363, that a tax of 0.22 per cent. would have been sufficient to pay the notes of all failed National banks if the bonds had been lost or destroyed. The safety of the notes should be further increased by provisions that only banks with a minimum of unimpaired capital and surplus could issue the uncovered notes, and that the Comptroller of the Currency, or the Comptroller and the Secretary of the Treasury, should have discretion to refuse any bank, or all the banks, authority to issue additional uncovered notes. The period covering the whole history of the National banks is long enough to have established reliable averages, which can be as safely counted upon as the averages upon which the vast insurance business of the world is done. Any unusual variation would be amply provided for by the factor of safety of nine, which the figures given above show in the taxes paid during this whole period.

The present capital of all the National banks would permit the issue of about $140,000,000 of uncovered notes for the first issue of twenty per cent., and the ultimate issue of $350,000,000 if the amount was increased to fifty per cent. These maximum figures would probably be increased by the increase in the number of National banks. The tendency is for the increase of banks other than National both in the number and capital of banks and in the proportion of deposits held. An increase in the note issuing privileges of the banks would doubtless check this gain of the outside banks if it did not turn the growth the other way.

The greatest demand for increased currency comes, of course, when it is required for moving crops in the farming States. If this can be supplied quickly and automatically as required by the banks in those States, and if, after performing its duty, it is returned to the banks and retired, it will mark a great advance in the improvement of our facilities for handling the vast and rapidly growing business of this country.

In the latter half of each year the problem is presented to the banks to furnish currency needed to handle from 2,500 to 3,000 millions of bushels of grain, eight to ten million bales of cotton, and a corresponding quantity of other farm products. The total value of these products for the year 1002 will not be far from 5,000 millions of dollars. This calls for the use of a vast sum of money. Much of it is done on bank deposit credits, by means of checks, and the increased number of banks and better means of communication enable the people in country communities to handle more and more in this way, or we should not be able to transact such an amount of business at all. So much of it, however, must be handled with currency of some sort as to make a demand for currency in large amounts, and every year there is a great deal of anxiety, and often serious disturbance in business, until the crop season is over and the money returns to those who have had to furnish it. This is a matter of more importance to the man who needs the money than the man who furnishes it. When the interest rates advance it is the man who pays the higher rate who suffers the most, and not the man who has the money to lend.

The people in the country who do this enormous business and produce the great wealth are entitled to better service than they get, are in fact entitled to the very best facilities which can be devised and supplied to them. It can not be any undue inflation of credit to supply these people who have just raised such quantities of the most readily salable staples the money they require in that form of bank credits represented by circulating notes. As tables show, these people own land worth 16,674 millions of dollars, farm implements worth 761 millions, live stock worth 3,078 millions, and raise over 4,000 million dollars' worth of products. In the farming States there are banks with over 600 millions of capital and 70 millions of surplus. They have on hand in cash 370 million dollars, and due from other banks 802 millions. Here are agencies enough to perform this work and abundant basis for the

credits if the law permitted it. We place no limit on the loans they may make but that supplied by reserve requirements on the deposits; why should they not supply a limited amount of notes secured by two-thirds their value in bonds and made absolutely safe to the note holder by the guarantee fund raised by the tax on circulation? Such a change in the currency would not only supply the needs for crop moving, but also the currency needed for other business.

Each bank could supply what it found was necessary for its own customers. The demand which generally begins in the late summer months would gradually be met as it came. In every community the supply would be in the hands of men who are familiar with local needs and conditions and the distribution would be made where and when needed without reference to conditions elsewhere or dependence on the money market in the reserve cities and financial centers. This would be of great benefit, not only to the people in farming districts and those handling farm products, but to the vast number of business men engaged in mining, manufacturing, mercantile and commercial lines. Instead of the whole business public dreading the approach of the crop-moving time for fear there might come some stringency in the money market to upset their calculations and interfere with their financial arrangements, the banks would be in position to furnish the currency needed for the crops when and where it was to be used without disturbing business in other lines.

In times of panic the power to issue additional notes would be an element of great strength to the banks and not of weakness. It would enable the banks to protect themsdlves and their customers when protection is most needed. Panics or financial crises come generally very suddenly, and as the result of fear which spreads among the people that they will not be able to get money to meet their payments and conduct their business. This spreads and forces liquidation of credits which otherwise would have remained outstanding. There never is a time when the liquidation of all credits or any large proportion of those outstanding is possible without producing a crisis. As long as there is confidence, and each individual feels secure that he can get what money he needs upon usual terms and security, there is no necessity for it. If our bank circulation can be made more automatically elastic so that the banks can supply more or less of circulation as needed, which is so safe and reliable that it is readily accepted and used for all business transactions, we will have a force at work in our financial affairs which will diminish the liability of a money panic, and will be an efficient aid when we shall have an actual condition of panic.

Without discussing the causes which led to the panic of 1893 and the depression which followed, there is no question but that the actual shape the panic took was a sudden demand for currency. Referring to tables giving the total money and currency of all kinds in circulation in the United States, the amounts held in the Treasury as assets and in the banks, with the amount not in the Treasury or banks—that is, in use by the people, it will be seen that the proportions do not vary greatly in normal times. The greatest variation is in the amount in the Treasury as assets, which, from various causes, has ranged from eight to sixteen per cent. in ten years. The amount held by the banks is ordinarily from thirty-two to thirty-three per cent. This ran down to twenty-nine per cent. during the panic year of 1893 and in 1896, when the silver question was involved in the election, and increased to thirty-eight per cent. in 1894 in the reaction following the panic. The amount of money outside, in circulation among the people, has run quite uniformly from fifty-three to fifty-five per cent., but during the panic year of 1893 this went up to sixty-two per cent., showing the withdrawal of coin and currency due to the panic. During the panic all sorts of substitutes for currency were resorted to, which were accepted and used for the time.

How much better prepared we would have been if the banks had been able to supply a large volume of good notes. It is not claimed that this would have pre-

vented that panic or that panics may be prevented in the future by such means, but the tendency or liability to panics will be appreciably diminished if our banks have such a reserve power furnished them, and when panics occur we will be better prepared to meet them and mitigate their force and effect. This currency should be immediately and quickly available, so that the banks need not wait for serious trouble before they begin to issue it. The conditions of issue should not be such as to make it a confession or indication of weakness for a bank to issue notes. They should be coming and going all the time, in accordance with the demands of business. Such notes would be much preferable to any form of clearing house notes or emergency circulation issued by clearing-houses or similar associations, because each bank could quickly issue its own quota without waiting for the slow process of consultation, and the average result obtained by the independent action of banks in all parts of the country would more nearly respond to the actual demands and necessities.

The currency here outlined is what has come to be called in the recent discussions an emergency circulation. It would be better than this; it would be a currency which would prevent many emergencies from arising, or so diminish their seriousness that they would pass unnoticed. When emergencies did arise it would very greatly add to our equipment and ability to meet them.

This plan for the modification of the National bank currency is not offered as anything new. It has been suggested often before, widely discussed, and bills embodying these general features have been before Congress for several years. It is not claimed that this plan would remedy all the defects in our currency system, but it is urged as a practical and simple method of improving the National bank currency by giving it the much-needed quality of elasticity without impairing its safety. If we wait until there is agreement on all points before we make a change in our currency laws, we will never make any reform. If we make such changes from time to time as study and investigation convince us can be safely made and are advisable, we are much more apt to arrive at a satisfactory law than if we wait until it can all be reformed in one act.

The Comptroller therefore calls the attention of Congress to this subject, asks its careful consideration, and strongly recommends the passage of an act embodying the main features here outlined.

WM. B. RIDGELY, *Comptroller of the Currency.*

To the SPEAKER OF THE HOUSE OF REPRESENTATIVES.

THE MISSISSIPPI VALLEY TRUST COMPANY'S BUILDING.

BANKING IN THE LEADING CITIES.

MISSISSIPPI VALLEY TRUST COMPANY, ST. LOUIS.

In the heart of the financial business district of the metropolis of the Mississippi Valley stands the imposing building (a cut being herewith presented) of the Mississippi Valley Trust Company, the success of which company is inseparably linked with the wonderful development of the territory from which it takes its name.

This trust company was organized in 1890, when the country was laboring under the uncertainties of legislative enactments, but its officers were undaunted and the company showed signs of progressiveness from the beginning. During the panicky times of 1893, the strong character of this institution was indicated by the manner in which it promptly met the unusual requirements and also helped the tributary territory through that trying ordeal.

In addition to maintaining throughout that period the position it had previously attained in the brief space since its organization, the company increased its capital and substantially increased its deposits as well.

In 1900 the full authorized capital was paid up, making its capital $3,000,000 and surplus $3,500,000, and placing it among the foremost financial institutions of the United States. On the St. Louis Stock Exchange the stock of this company is quoted at $450 to $460 per share on a par value of $100. The company pays quarterly dividends at the rate of twelve per cent. per annum.

To keep pace with the growth of its business, the company has been compelled within the past few years to occupy the entire Mississippi Valley Trust Building, thereby increasing its floor space more than threefold.

The following comparative statement will evidence the phenomenal growth of this company:

DATE.	*Surplus and profits.*	*Deposits.*	*Resources.*
December, 1896..	$611,963	$3,327,167	$6,577,454
December, 1898..	1,075,681	7,759,412	11,913,413
December, 1900..	3,923,218	14,178,131	21,240,864
October, 1902..	4,643,941	18,173,291	26,640,254

The splendid showing as above indicated is only in keeping with the aggressive business policies of the company. A recent compilation by one of the leading financial journals of the United States places the Mississippi Valley Trust Company seventh as to capital and surplus, sixteenth as to deposits, and fifth as to aggregate resources, among the thirty-four leading trust companies of New York and other cities, having not less than two millions combined capital and surplus and ten millions of deposits.

Under such progressive management it is foreseen that this trust company will keep abreast with any additional prosperity of the city of St. Louis which may be caused by the Louisiana Purchase Exposition to be held there in 1904, which will be the greatest World's Fair ever held.

To the Mississippi Valley Trust Company several large enterprises in the Mississippi Valley and western portion of the United States owe their birth and existence. The Kinloch Telephone Company of St. Louis, which was financed by this trust company, is one of the great local utilities, and it overcame the monopoly in the telephone field that existed prior to its formation, thereby giving the people advantage of competition in reducing rentals and greatly improving the service. The Tennessee Central Railway, managed entirely by St. Louisans, was made a possibility by the Mississippi Valley Trust Company, and is now one of the most important pieces of railway property in the State of Tennessee. The Arkansas Southern Railroad, extending from El Dorado, Arkansas, ultimately to the Gulf, and penetrating the most extensive virgin pine forests of the South, was built through the instrumentality of the Mississippi Valley Trust Company, and this railroad, as a feeder for a trunk line, is at present very much sought after by several large railways. The Blackwell, Enid and Southwestern Railway, recently acquired by the St. Louis and San Francisco R. R., is another one of the successful undertakings of the Mississippi Valley Trust Company. This line of railway runs through the richest portion of the Oklahoma country and has already proven a valuable acquisition to the Frisco System.

The most important deal, perhaps, ever consummated by this progressive trust company, and which indicates its present

JULIUS S. WALSH,
President.

BRECKINRIDGE JONES,
First Vice-President
and Counsel.

JAMES E. BROCK,
Secretary.

capacity for handling large enterprises, was the $10,000,000 bond issue of the Mexican Central Railway. In carrying out this immense arrangement, being international in character, the eyes of the entire financial world were directed to St. Louis, and as a result that city was elevated in the estimation of the financiers and placed in a class with those having institutions capable of taking care of the financing of large deals in their own territory as well as competing for business in other parts of the earth.

The manner in which this trust company acquitted itself in the recent struggle for the acquisition of a majority of stock in the Wiggins Ferry Company, St. Louis, evidences the indomitable qualities of its management. The respective contestants represented millions of capital, and after several weeks of hard fighting, the controlling interest was successfully acquired, for others, by the Mississippi Valley Trust Company.

The underwriting of the bonds of the Union Electric Light and Power Company, a $10,000,000 Missouri corporation, plainly places before the public this trust company's capability for keeping up the pace which it has set, and indicates the rapid order in which it handles these gigantic deals.

The latest enterprise of importance directed by the Mississippi Valley Trust Company was the underwriting of one million first preferred stock of the National Candy Company of New Jersey.

The financing of the $7,500,000 bond issue under the reorganization of the St. Louis and Suburban Electric Street Railway System, is one of the trust company's most popular underwritings, being another recent large undertaking.

Besides other important deals, space not permitting enumeration, this trust company recently purchased, for others, all of the stocks of the Interstate Car Transfer and St. Louis Belt and Terminal Railway companies, both being local corporations, and in this acquisition several millions were exchanged, and the complete terminal facilities to the city of St. Louis controlled.

The business of the Mississippi Valley Trust Company is conducted in five departments, the manager of each of which being a man of experience and training particularly fitting him for the respective work.

The following enumeration indicates the scope of its business:

(1) Financial or Money Deposit.—Receives deposits on time, savings and check accounts and pays interest thereon. Loans money on city real estate and collateral security. Buys and sells domestic and foreign exchange. Issues its own letters of credit available everywhere.

(2) Trust or Fiduciary.—Executes all manner of trusts. Authorized by law to act as executor, administrator, trustee, guardian, curator, register and transfer agent of bonds and stocks, Receiver and financial agent for non-residents and others, and to become sole surety on all bonds required by law to be given.

(3) Bond or Investment.—Buys and sells selected high-grade investment securities. List of bonds for sale mailed on application. Commission orders, at usual rates, executed with promptness.

(4) Real Estate. — Manages, sells, rents and appraises city property. Pays taxes and places insurance.

(5) Safe Deposit or Storage Vaults.—Rents safe deposit boxes in fire, burglar and mob proof vault at $5 and upwards per annum. Stores, at special rates, trunks and boxes containing silverware and other bulky valuables.

The affairs of the company are administered by the following officers of tried ability:

Julius S. Walsh, President.

Breckinridge Jones, First Vice-President and Counsel.

Samuel E. Hoffman, Second Vice-President.

James E. Brock, Secretary.

Hugh R. Lyle, Assistant Secretary.

Henry C. Ibbotson, Second Assistant Secretary.

W. Daviess Pittman, Bond Officer.

Frederick Vierling, Trust Officer.

Henry Semple Ames, Assistant Trust Officer.

William G. Lackey, Assistant Trust Officer.

Eugene H. Benoist, Real Estate Officer.

Wilbur B. Price, Safe Deposit Officer.

The whole under management directed by a strong board of directors composed of gentlemen best known in the local financial and commercial community, some of whom are in national repute as financiers and business men. They are noted for their sound conservatism, as the following list will indicate:

Elmer B. Adams, U. S. District Judge.

Williamson Bacon, President Tyler Estate.

James E. Brock, Secretary.

Murray Carleton, President Carleton Dry Goods Co.

Charles Clark, retired.

Harrison I. Drummond, President Drummond Realty and Investment Co.

Auguste B. Ewing, retired.

David R. Francis, President D. R. Francis & Bro. Commission Co.

August Gehner, President Title Guaranty Trust Co.

George H. Goddard, retired.

Samuel E. Hoffman, Second Vice-President.

Charles H. Huttig, President Third National Bank.

Breckinridge Jones, First Vice-President and Counsel.

Wm. F. Nolker, Treasurer St. Louis Brewing Association.

Wm. D. Orthwein, President Wm. D. Orthwein Grain Co.

H. Clay Pierce, President Waters-Pierce Oil Co.

Joseph Ramsey, Jr., President Wabash Railroad Co.

Moses Rumsey, President L. M. Rumsey Mfg. Co.

J. C. Van Blarcom, Vice-President National Bank of Commerce.

Julius S. Walsh, President.

Rolla Wells, Mayor of City of St. Louis.

NATIONAL BANK OF THE REPUBLIC, CHICAGO.

In the twelve years that the National Bank of the Republic has been doing business it has become thoroughly well established in the public confidence, as is fully shown by the remarkable growth of the bank's deposits. Few institutions, in the same time, have made a record more satisfying in all respects—gaining such a large volume of business and of a character that has been both profitable and safe.

Organized in 1891, the bank was called on two years later to put its solvency to the test in the great financial panic of 1893, and it came through the ordeal in a manner that showed that the foundations of the corporation had been securely laid and that there was no unsound timber in the structure. In the decade that has almost elapsed since then, while the business has grown to large proportions, discrimination has been exercised at all times, and to-day the bank is not merely bigger than ever before, but its strength has likewise grown with the added volume of its transactions. On July 1, 1902, its shareholders voted unanimously to add one million dollars to the capital of the bank and $500,000 to the surplus fund.

An idea of the bank's progress may be obtained from the following comparative statement on April 30 of each of the years named:

YEAR.	*Capital.*	*Surplus and profits.*	*Deposits.*	*Total resources.*
1895....	$1,000,000	$108,587	$2,461,808	$3,649,268
1896....	1,000,000	126,640	3,160,200	4,387,563
1897....	1,000,000	124,678	3,768,940	4,994,177
1898....	1,000,000	160,860	5,523,815	6,786,435
1899....	1,000,000	153,258	9,741,206	11,026,636
1900....	1,000,000	191,787	9,857,747	11,692,427
1901....	1,000,000	217,593	12,742,664	14,721,467
1902*...	2,000,000	797,109	14,000,000	15,938,405

* Sept. 15.

The competition for banking business in Chicago is keen, as in the other large cities, and the above record of growth has been made possible only by the exercise of foresight and financial skill. Energy, ability and banking and general business capacity are well repre-

John A. Lynch, *President*.

J. H. Cameron, *Cashier*.

sented in the bank's management. John A. Lynch, the President, is a native of Chicago, and has always made that city his home. He was one of the organizers of the bank, and a short time after it began business he was elected President, and has continued to act in that capacity ever since with marked success. Before entering the bank, Mr. Lynch had been engaged in large business enterprises where he acquired a practical knowledge of commercial affairs that has been very

W. T. Fenton, *Vice-President*.

R. M. McKinney, *Assistant Cashier*.

useful to him as a banker, and also of great value to the institution.

W. T. Fenton, the Vice-President, and who was for a number of years Cashier, is an energetic and capable officer. He has attained to a prominent position both among the bankers of his own State and those of the entire country. At the convention of the American Bankers' Association recently held at New Orleans, Mr. Fenton was elected a member of the executive council of the national organization of bankers.

A more extended sketch of Mr. Fenton's banking career will be found in another part of this issue of the MAGAZINE in connection with a notice of the new members of the executive council of the American Bankers' Association.

J. H. Cameron, the Cashier, has been with the bank since 1892, serving for several years as Assistant Cashier, and having had previous banking experience with the Merchants' National Bank.

R. M. McKinney is the Assistant Cashier, having been second Assistant Cashier, beginning with 1894, prior to his promotion.

Both Mr. Cameron and Mr. McKinney are experienced and efficient in discharging their duties, and by careful attention to the details of the management they have aided considerably in the bank's growth.

In all respects the National Bank of the Republic of Chicago is a safe and well-managed bank, offering the best of facilities in the handling of commercial accounts and it is thoroughly equipped for acting as a depositary and correspondent for out-of-town banks.

THE NATIONAL BANK OF NORTH AMERICA, CHICAGO.

The National Bank of North America, Chicago, opened for business June 16,

ISAAC N. PERRY, *President.*

CHARLES O. AUSTIN, *Vice-President.*

1902, with Mr. Isaac N. Perry, for a number of years Vice-President of the Continental National Bank, Chicago, as President. So great was the confidence in the gentlemen who organized the bank, and its future success, that the capital stock of two million dollars was subscribed for more than six times over, the subscrip-

tions amounting to twelve and a half million dollars. The result of the first day's business assured the success of the bank, showing deposits of $3,244,367,51. The statement made to the Comptroller on the call of July 16 showed deposits of $6,102,668.65 as a result of the business of the first month. The statement made in response to the next call of the Comptroller, September 15, showed deposits of $7,507,305.60, and net earnings of $57,-866.37; and the latest call for a statement under date of November 25 showed

J. S. POMEROY, *Cashier.*

deposits of $9,096,597.73, and net earnings of $77,843.33.

The growth of this bank has been most remarkable, and there is no evidence that it has ever been equalled by any new bank organized under the National Bank Act. The conditions were ripe for a new National bank in Chicago, there having been a number of consolidations in the face of an enormous increase in the volume of banking business of the city. The immediate success of the bank, however, is due to the strong board of directors with which Mr. Perry has surrounded himself, composed of gentlemen all well known in Chicago and all very successful in their respective lines of business.

That the business of the bank has been of a profitable nature is proven by the net earnings as shown by the last statement, and which would justify the belief that the bank is earning at the rate of 8.4 per cent. net on its capital, although having been in business less than six months. This is the more remarkable when it is remembered that the operating expenses of any new business enterprise are necessarily greater proportionately during the period immediately following its organization than at any other time in its history.

The bank occupies the elegant quarters in the Woman's Temple, corner La Salle and Monroe streets, formerly occupied by the Metropolitan National Bank, which was absorbed by the First National Bank in June, 1902.

Mr. Perry, the President, is one of the best-known bankers in America, and takes to the new institution a very extensive and strong personal following, which, in itself, assures the success of the bank.

The Vice-Presidents, Messrs. B. A. Eckhart and Charles O. Austin, are both well known in their respective lines, Mr. Eckhart being at the head of the Eckhart & Swan Milling Co., one of the largest manufacturers of flour in the country, and has been long and prominently identified with the commercial and political affairs of Chicago. Mr. Austin was formerly Cashier of the Mechanics' National Bank, St. Louis, the growth of which was very great during his connection therewith.

Mr. Julius S. Pomeroy, Cashier, was formerly Assistant Cashier of the First National Bank, Winona, Minn., and is a gentleman of very wide experience and acquaintance.

HIBERNIA BANK AND TRUST COMPANY, NEW ORLEANS.

This company represents a union of several strong financial institutions. Some time ago the Union National Bank was merged into the Southern Trust and Banking Company and on July 31, 1902, the Southern Trust and Banking Company and the Hibernia National Bank were merged into the Hibernia Bank and Trust Company. As might be expected, the consolidation of these important interests gave the reorganized institution a very large volume of business. On November 28, 1902, the capital was $1,000,000.00 ; surplus and profits $2,074,996.33 ; deposits $9,584,001.69, and total assets $13,327,732.11.

This is not only the largest bank in New Orleans, but one among the most important in the South, and there is no doubt that with the completion of the new and imposing building shown in our illustration the business of the company will receive a further impetus.

HIBERNIA BANK AND TRUST COMPANY.

At the head of the company's management is the President, J. W. Castles, who was formerly President of the Hibernia National Bank.

Most of the other officers have also been long and prominently associated with banking in New Orleans. They are: Vice-Presidents, Andrew Stewart, S. V. Fornaris, F. J. Kinney ; Cashier,

Charles Palfrey; Assistant Cashiers, George Ferrier, P. L. Girault, L. M. Pool.

Supported by a board of twenty four directors representative of the best commercial, manufacturing and other interests of the city, these gentlemen are in control of a company that is already in the front rank of the financial institutions of New Orleans and destined to keep fully abreast of the progress of the Southern Metropolis.

THE NATIONAL EXCHANGE BANK OF MILWAUKEE, WIS.

This is one of the oldest banks of the Northwest. It is a successor to the Bank of Milwaukee, organized in 1854. In 1865 it entered the National banking system as the National Exchange Bank of Milwaukee, and with a record of nearly forty years as a National bank its business may be said to be well established. There have been few changes in the management from the time of the organization, those that have been made being mostly promotions to fill places made vacant by death or the retirement of some officer from active business.

J. W. P. LOMBARD, *President.*

J. W. P. Lombard entered the bank in 1891 as Second Vice President. Later he succeeded Charles Ray as First Vice-President, and again as President when the latter retired. Mr. Lombard is also Vice President of the Milwaukee Clearing House Association, and President of the Milwaukee Bankers' Club.

GRANT FITCH, *Cashier.*

Grant Fitch, the Cashier, was appointed Assistant Cashier in 1886, and Cashier in 1888. He is the son of W. G. Fitch, who was Cashier and Vice-President from 1860 until his death, in 1891.

The National Exchange Bank has been growing steadily, its deposits increasing from $2,386,000 in 1892 to over $4,283,-000 at the present time. In this period the total resources have grown from $3,024,698 to $5,608,953. On November 25 last the loans and discounts amounted

to $2,850,048, and cash items to $1,500,000. United States bonds of the par value of $610,000 were also held, carried on the books without a premium account. The capital of the bank is $500,000 and the accumulated surplus and profits amount to $207,634.

A full list of the bank's officers and directors follows:

Officers: J. W. P. Lombard, President; Grant Fitch, Cashier; Wm. M. Post, Assistant Cashier.

Directors: J. W. P. Lombard, President; J. E. Friend, President Nordberg Manufacturing Co.; Chas. Ray, capitalist; Fred'k W. Sivyer, President N. W. Malleable Iron Co; J. H. Van Dyke, capitalist; H. F. Whitcomb, President Wisconsin Central Railway Co.; Grant Fitch, Cashier.

A PROGRESSIVE WESTERN BANK.

The National Bank of St. Joseph, Mo., shows very substantial evidences of progress in the new building erected for its occupancy, a cut of which, very much reduced in size, is shown herewith.

The building has a frontage of 120 by sixty feet, the front walls and sides being built of buff Bedford stone, except the base course, which is of gray granite.

NATIONAL BANK OF ST. JOSEPH.

The plan of the building was determined solely from business requirements and convenience. The entire first floor is devoted to the banking quarters and consists of the main banking room forty feet wide and eighty feet long with a height of thirty six feet, President's room, directors' room, waiting room, women's reception room, employees' toilet and locker rooms, large space for working room, book and cash vaults. The basement contains a complete and roomy safety deposit department, heating and ventilating apparatus, storage vaults and janitor's rooms.

The second story, or gallery. contains a complete suite of offices for the bank's attorneys, and a large meeting room and working space.

The main room is an ideal banking room in every sense. The ceiling is about one-half ornamental glass, through which an abundance of light is obtained, and the balance of ornamental plaster, all supported on steel trusses spanning the room from wall to wall. This leaves the room entirely free from columns or other obstruction. The fittings and furnishings of the various rooms are tasteful and handsome, as well as of the most substantial sort, and in every respect the structure and its appointments meet the best requirements of a modern bank, supplying every facility for safety, comfort and convenience.

This institution was established in 1873 as the Bank of St. Joseph, and organized as a National bank in 1883. It has $100,000 capital, $100,000 surplus and $119,000 undivided profits. Its deposits are at present close to $5,000,000.

The officers of the National Bank of St. Joseph are: L. C. Burnes, President; James N. Burnes and Huston Wyeth, Vice-Presidents; E. D. McAllister, Cashier.

The bank is owned and controlled by the Burnes estate, a close corporation, and is one of the most solid financial institutions in the West

THE AMERICAN BANKERS' ASSOCIATION.

PORTRAITS AND SKETCHES OF THE NEW OFFICERS AND THE NEW MEMBERS OF THE EXECUTIVE COUNCIL.

Caldwell Hardy is President of the Norfolk National Bank, Norfolk, Va., and also President of the Norfolk Bank for Savings and Trusts.

Mr. Hardy was born in Camden county, N. C., in 1852, removing with his parents to New York in 1859, and was educated at the Polytechnic Institute of Brooklyn. Before he was eighteen he entered a broker's office in Wall Street, and later removed to Norfolk, Va., with whose interests his family had been identified for many years, and where he has now been engaged in the banking business for over thirty years.

The Norfolk National Bank was organized and opened for business August 1, 1885, with Mr. Hardy as its Cashier, which position he held until January, 1899, when he was elected President. The bank has been successful from its start; is not only the leading bank in its city, but is one of the largest banks in the State of Virginia. Its statements show footings of about $4,000,000, including a deposit line aggregating $2,700,000. Besides its capital of $400,000 it has accumulated over $400,000 surplus and undivided profits, and it now holds $1,000,000 United States two's at par.

The Norfolk Bank for Savings and Trusts was organized by the stockholders and officers of the Norfolk National Bank in August, 1893. It does a Savings bank and trust business, and, besides paying dividends at six, seven and eight per cent., in addition to its capital of $100,000, has accumulated over $100,000 of undivided profits and a deposit line of $700,000.

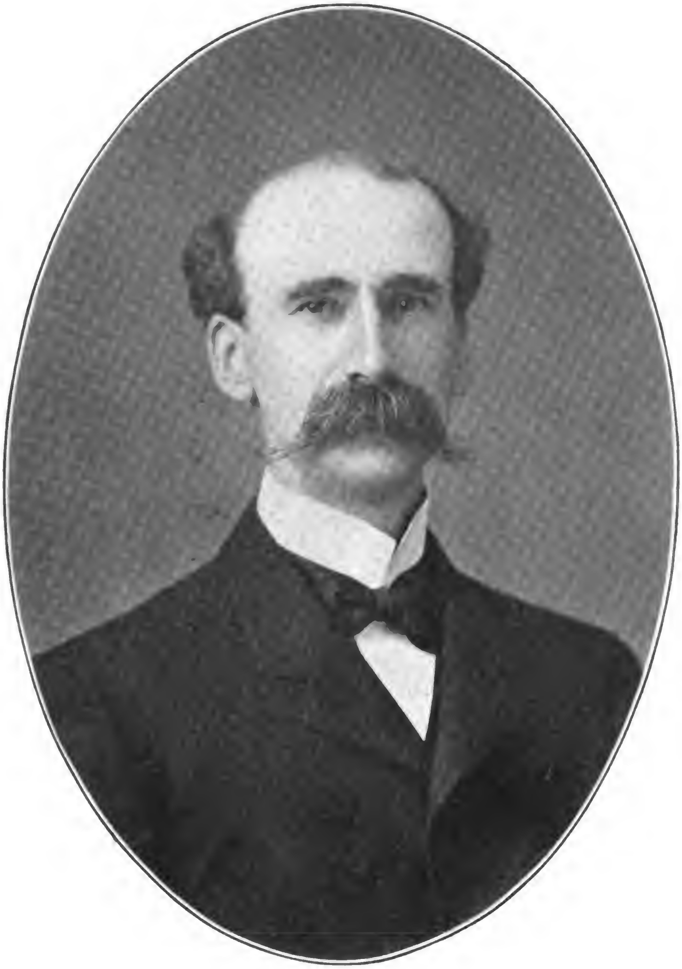
Mr. Hardy was its first Cashier, and was made Vice-President in 1899, and President in 1901. He is justly proud of the two successful institutions of which he is President, the rank and standing of which is further evidenced by the fact that the stocks of both, besides paying their stockholders handsome dividends, are now bid for at over 200.

Mr. Hardy has been an active worker in the American Bankers' Association, has served two terms as a member of the association's governing body, the executive council, of which he was elected chairman in Richmond, Va., in October, 1900. He was elected first vice president at the Milwaukee convention in October, 1991, and at the recent convention at New Orleans was elected president.

Frank G. Bigelow, first vice-president, is identified with one of the most successful banks in the country—the First National, of Milwaukee, of which he is President.

Mr. Bigelow was born at Hartford, N. Y., in 1847, and went to Milwaukee in 1864, entering the First National Bank. He was promoted through the various positions, and in 1893, on the retirement of Mr. H. H. Camp from active banking, Mr. Bigelow was elected President.

Some idea of the progress of this bank in recent years may be had from the fact that the deposits increased from $9,489,179 on July 14, 1896, to $16,073,852 on Nov. 25, 1902. The capital was increased some time since from $1,000,000 to $1,500,000. On July 14, 1896, the surplus and profits amounted to $279,691, while now the aggregate of these two items is over $860,000. Total resources are $18,484,691.



CALDWELL HARDY, *President.*

Frank G. Bigelow, *First Vice-President.*

The First National Bank has always maintained the confidence of its depositors, and its present prosperity and the large volume of its business are results toward whose accomplishment Mr. Bigelow has largely contributed during his long and active identification with the bank.

Prior to his election as first vice-president, which occurred at the New Orleans convention, Mr. Bigelow was chairman of the executive council.

William T. Fenton, Vice-President of the National Bank of the Republic, Chicago, and President of the Chicago Clearing-House Association, is regarded

WM. T. FENTON, *Member Executive Council.*

as one of the most practical and judicious bankers of the country. He was born in Indiana, fifty-four years ago. Like many other successful Chicago bankers, his early life was spent on a farm. His first banking expérience was received in the old and well-known banking house of Fletcher & Sharpe at Indianapolis. Later he went to Chicago and was engaged as discount clerk for the Merchants' National, but subsequently went to Ottumwa, Iowa, as Cashier of the First National Bank of that city, a position he filled most capably for six years.

In 1891 he returned to Chicago to assist in the establishment of the National Bank of the Republic, and was made Cashier, succeeding to the office of Vice-President in 1897. He continued to fill both offices for some time, but the increase of business made it necessary to give up the duties of Cashier something over a year ago. As Vice-President, Mr. Fenton's active share in the management of the bank continues as before. Much of the success of this institution, especially in the building up of large out-of-town connections, is due to Mr. Fenton's popularity and energetic methods. There are few banks in Chicago that have had a more rapid growth. Mr. Fenton has confined his efforts entirely to the conduct of the affairs of the bank, and is not interested in outside business enterprises.

Mr. Fenton has long been prominently identified with the Illinois Bankers' Association and has served as its president and as a member of the executive council. His election as a member of the executive council of the American Bankers' Association was a national recognition of the standing given him as a banker by the bankers of his own city and State. He is now President of the Bankers' Club, of Chicago, and a member of the Union League, Calumet, Kenwood and Midlothian clubs.

Mr. Crane is one of the best-known and most successful bankers of the Northwest. He was born at Austin, Minnesota, in 1866, and removed to Anoka, Minnesota in 1877, and entered the employ of the Anoka National Bank in July, 1883. Four years later here moved to Minneapolis, to take a position with the Flour City National Bank. He was made Assistant Cashier of that bank in 1891, and elected Cashier in January, 1893. In January, 1895, he became Assistant Cashier of the National Bank of Commerce and in January, 1900, was

A. A. CRANE, *Member Executive Council.*

elected Cashier, which position he still holds.

Mr. Crane has been active in building up the Minnesota State Bankers' Association, having been vice-president and president of that organization and is at the present time chairman of its executive council. He has been vice-president of the American Bankers' Association, and was elected a member of the executive council at the recent convention.

The National Bank of Commerce has a capital of $1,000,000, surplus and profits of $800,000, and deposits aggregating $5,000,000. The bank's business has shown a steady growth each year since 1895, at which time its deposits were about $1,500,000. The bank is regarded as one of the strongest in the Northwest; its management is conservative, but extends every accommodation to its patrons consistent with sound and safe banking.

Mr. Sloan's parents emigrated from Scotland in 1840. He was born at Mount Savage, Md., in 1845. As a boy he worked in coal mines and later was a salesman in a country store up to 1870, in which year he started in business for himself. The business grew and prospered. The Lonaconing (Md.) Savings Bank, of which Mr. Sloan is President, was instituted in 1889 with $20,000 capital. Without interruption it has passed ten per cent. yearly to surplus, after paying six per cent. to stockholders. In 1898 the charter was amended by the Legislature,

D. SLOAN, *Member Executive Council.*

a general banking business being authorized—since that year deposits have increased on an average $100,000 yearly, and now amount to $550,000 with $42,000 surplus and undivided profits. The bank is healthy and prosperous, and will move into new and up-to-date quarters in the coming spring.

Mr. Lane is a native of New Orleans, La., and was graduated as doctor of Philosophy from Vanderbilt University in 1882. He taught mathematics and engineering there, and in the State Universities of Arkansas and Texas until 1888, when he engaged in the banking business in Dallas, Texas, as Vice-President of the Dallas Savings Bank and Safe Deposit, afterwards the Mercantile National Bank of Dallas. This institution was in 1897 consolidated with the National Exchange Bank of Dallas, Mr. Lane be-

coming Cashier of the latter, which position he now holds.

At the last meeting of the Texas Bankers' Association he was elected first vice-president and at the recent meeting of the American Bankers' Association was elected a member of the executive council for three years.

The National Exchange Bank of Dallas, Texas, was established in 1875 under a State charter as the Exchange Bank, and nationalized under its present name

A. V. LANE, *Member Executive Council.*

in 1887. In 1897 it absorbed the Mercantile National Bank and in 1900 the National Bank of Dallas.

Its deposits having reached $5,000,000, it was decided last spring to increase its capital to $500,000, and at present its capital, surplus and undivided profits amount to $1,100,000.

The officers are: Royal A. Ferris, President; E. M. Reardon, Vice-President; A. V. Lane, Cashier; Nathan Adams, Assistant Cashier.

The bank continues to enjoy a very substantial and satisfactory growth.

The new member of the executive council from Iowa is a young man who has made an exceptionally fine record as a bank officer and manager. He was born at Panora, Iowa, March 10, 1868. In 1886 he entered Iowa College, at Grinnell, but after a year's time he left college to engage in the drug business. Although interested in this business as a

ARTHUR REYNOLDS, *Member Executive Council.*

partner for several years, he personally engaged in it but one year, having entered the Guthrie County National Bank, of Panora. Beginning as an errand boy, he gradually worked into the details of the bank and was made Assistant Cashier and later Cashier and manager of the bank.

In January, 1895, he was elected Cashier of the Des Moines National Bank, which position he held two years, being promoted to the Presidency, December 1, 1897.

His brother, Geo. M. Reynolds, now Vice-President of the Continental National Bank, Chicago, was associated with him in the Guthrie County National Bank and also the Des Moines National Bank, and was his predecessor in the various offices in both institutions.

With George M. Reynolds President and Arthur Reynolds Cashier, the reputation of the Des Moines National was enhanced and its business increased—

the deposits to $1,100,000. Since the election of Arthur Reynolds to the Presi dency the deposits have increased to $3, 250,000, making the Des Moines National the largest National bank in the State of Iowa. The earning capacity has likewise been increased, and handsome dividends are paid. The capital of the bank is $3000,000, and surplus and undivided profits over $100,000.

The unique and handsome statements sent out by the bank have made its growth and success familiar not only to banks within the State but throughout the United States.

It will be seen that Mr. Reynolds is thoroughly experienced in the various official and other positions in a bank, and his ability as a managing officer is fully shown by the results.

The bank of which Mr. Hayden is President—the Whitney National Bank,

James T. Hayden, *Member Executive Council.*

of New Orleans—not only ranks high among the financial institutions of the South, but it is one of the notably strong banks of the country. A compilation of the banks of the United States, and a comparison of surplus and profits to capital, shows that the Whitney National of New Orleans is twenty-sixth on the list—a high position among some 5,000 banks. The capital of the bank is $400,000, and the surplus and profits $1,500,000. As an indication of the standing of the bank it may be mentioned that the bid price of the stock is $630 per share.

The balance sheet of the bank now aggregates about $8,000,000, the loans and discounts being $6,000,000.

Mr. Hayden has been President of the Whitney National Bank since its organization in 1883, and has devoted his attention to the business of the bank with the successful results indicated by the foregoing facts and figures.

The present will make his second term as a member of the executive council of the American Bankers' Association.

One of the most popular young bank officers of the State of Indiana is Mr. Charles L. Farrell, Assistant Cashier of the Capital National Bank, Indianapolis. He was born at Bristol, Ind., November 14, 1874; began his banking career in 1894

Charles L. Farrell, *Member Executive Council.*

as bookkeeper and teller of the State Bank, Indianapolis. In 1898 he became Assistant Cashier of the Capital National

Bank of Indianapolis. At that time the bank had $1,200,000 deposits, while its last statement showed aggregate deposits amounting to $4,250,000—a gain of $3,000,000 in three years.

Mr. Farrell has been energetic in promoting the growth and efficiency of the Indiana State Bankers' Association, and since 1899 has been secretary of that organization.

Joseph G. Brown, President of the Citizens' National Bank of Raleigh, N. C., was born in Raleigh, and was educated at Trinity College, N. C. He has

JOSEPH G. BROWN, *Member Executive Council.*

served in the Citizens' National Bank as runner, teller, Cashier, and as President since 1894. He is an ex-president of the North Carolina State Bankers' Association, and has previously served one term as a member of the executive council of the American Bankers' Association. He is treasurer of the city of Raleigh at the present time. Mr. Brown is prominent in church affairs and several times has been a delegate to the Ecumenical and General Conferences of the Southern Methodist Church.

The Citizens' National Bank of Raleigh, N. C., of which Mr. Brown is President has $100,000 capital, $50,000 surplus, $26,000 undivided profits, and $1,500,000 deposits. It carries $150,000 United States two per cent. bonds at par in its assets. It is a depository of the city of Raleigh, State of North Carolina and of the United States, and is regarded as thoroughly conservative but always up to date. It has also been profitable, and dividends have been paid regularly from the beginning.

Mr. Brown's address delivered at the New Orleans convention showed that in addition to his skill and judgment as a banker, he possesses oratorical talent of a high order.

As Cashier of the Merchants' National Bank of Omaha, Mr. Drake occupies an important position in the banking world.

LUTHER DRAKE, *Member Executive Council.*

This bank commenced bus'ness on October 1, 1882, with $100,000 capital. The capital has been increased to $500,000, and the surplus and profits amount to $125,000. Deposits range from three million to three and one-half million dollars.

Mr. Drake's banking experience has beenmainly with the Merchants' National Bank, of Omaha, having taken the position of Assistant Cashier at the organiza-

tion of the bank. In January, 1898, he was elected Cashier.

One of the energetic workers in the American Bankers' Association is Mr. Geo. F. Orde, the new treasurer. He was formerly a member of the executive

GEO. F. ORDE, *Treasurer.*

council and has usually attended the conventions since 1894, and has taken a keen interest in the proceedings. Mr. Orde entered the Northern Trust Company Bank, of Chicago, in 1895, becoming the Cashier. For nine years prior to this date he had been Assistant Cashier of the American Exchange National Bank of Chicago.

The Northern Trust Company Bank, of which Mr. Orde is Cashier, is one of the large banks of Chicago, having $1,000,000 capital, $1,000,000 surplus and over $371,000 undivided profits. Deposits amount to about $23,000,000.

New York's new representative in the executive council, Mr. Albert H. Wiggin, is Vice-President of the National Park Bank, of New York, one of the largest and best-known banks of the country, having, perhaps, a greater number of banking correspondents than any other bank.

Mr. Wiggin was born at Medfield, Mass., February 21, 1868. After graduating at the English High School in Boston, he entered a private bank in that city, and after being employed there for eight months he entered the National Bank of the Commonwealth, where he remained for six years, acquiring thorough experience in all departments of the bank. His abilities attracted the attention of the local National bank examiner, and Mr. Wiggin was made assistant examiner. He continued in this capacity for three years, making a successful record, when he re-entered banking as Assistant Cashier of the Third National Bank, of Boston, and later was elected Vice-President of the Eliot National Bank. He held this office from May, 1897 to May, 1899, during which period the deposits of the Eliot National Bank were increased from $1,000,000 to over $9,000,000. On May 2, 1899, he was elected Vice-President of the National Park Bank, New York city.

ALBERT H. WIGGIN, *Member Executive Council.*

The National Park Bank has $2,000,000 capital, $4,500,000 net profits, and about $70,000,000 of deposits, placing it among the foremost banks of the country.

Besides being Vice-President of the National Park Bank, Mr. Wiggin is Vice-President of the Mount Morris Bank and the Mutual Bank, both of New York city.

JOHN SKELTON WILLIAMS, *Member Executive Council.*

Mr. Williams is President of the Richmond Trust and Safe Deposit Company, of Richmond, Va., and is one of the well-known and successful bankers of the South.

A portrait of Mr. Williams was not received in time for publication in this number.

AMERICAN BANKERS' ASSOCIATION.

PROCEEDINGS OF THE TWENTY-EIGHTH ANNUAL CONVENTION, HELD AT NEW ORLEANS, NOVEMBER 11, 12 AND 13, 1902.

FIRST DAY'S PROCEEDINGS.

The twenty-eighth annual convention of the American Bankers' Association was called to order by President Myron T. Herrick, promptly at ten o'clock, Tuesday morning, November 11, 1902, in Tulane Hall, New Orleans, La., before the largest audience ever assembled at the opening session of any of its meetings. The proceedings were opened with prayer by Rev. Beverly Warren, of Trinity Church.

THE PRESIDENT: If there is no objection, the calling of the roll will be dispensed with.

Gentlemen, we will now listen to an address of welcome from the acting mayor of New Orleans.

ADDRESS OF WELCOME BY ACTING MAYOR MEHLE, OF NEW ORLEANS.

Mr. President and Gentlemen—In the absence of the mayor the pleasing duty devolves upon me to extend to you in the name of all our people a welcome to the city of New Orleans. I trust that you may find our climate genial, your surroundings pleasant, and above all that you may realize that you are among your fellow citizens, compatriots of yourselves in the greatest country on earth.

The hospitality of our people will be extended to you by another gentleman. May its warmth and generosity make you know and believe that you are in the home of your friends. The great purpose which has brought you among us it will not be necessary for me to refer to, but the whole country is interested in your gathering. I can only say that I hope peace and harmony may prevail in all your deliberations, and that abundant success may attend you one and all.

I have the pleasure to present to you Hon. Samuel Gilmore, our city attorney, who will extend to you a welcome on behalf of our city in words more appropriate than I can express.

ADDRESS OF WELCOME BY HON. SAMUEL GILMORE.

Mr. President and Gentlemen of the American Bankers' Association—The Mayor of New Orleans, Mr. Capdevielle, who is, at this time, unavoidably absent from the city, has, by letter, requested that you should be assured of his great regret at his inability to be present at the opening of your convention and of his sincere wish that your stay among us may be to you both pleasant and beneficial.

The acting mayor, Mr. Mehle, has asked me to give you a welcome in the name of the people and to most cordially extend to you the hospitality of the city.

One of the sagest thinkers of the nineteenth century, Thomas Carlyle, made the observation that three things were beyond human understanding—time, space and finance.

It is not so many years ago that Carlyle wrote this dismal aphorism; it is not so long ago his cynicism sunk silent into the grave. He was a wise man by his lights and a lover of truth, but he knew not America, and he died before the dawn of the twentieth century.

Were he in the United States, in this city and in this assembly to-day, he would contemplate the potentialities of rapid travel now developing, the wonders of the telephone and telegraph, the evolution of a monetary system adjusted like the whole and the parts of the engines of a mighty steamship to the movements of national, international—yes, world-wide commercial and industrial projects, and to the minutest details of the smallest individual avocation with equal precision, nicety, accuracy and reliability.

Upon retiring from this gathering I believe the good old pessimist would make a note in his diary which might read: 'The Americans have done somewhat to circumscribe space; time they have subjected to their conveniences by processes visible but not inexplicable; finance they manage, large and small, by the use of testing registers of surpassing delicacy,

sensitiveness and correctness, having made it a huge and perfect machine. There is but one thing incomprehensible by the human understanding, and that is its own scope.

And thus this mighty people of ours go on from day to day supplementing and correcting the wisdom of the ancients. No profession, no industry, no calling gets together in council nowadays which does not evolve something new, progressive, simplifying: dissolving old difficulties, removing moss-covered obstructions to mankind's advance; clarifying the philosophy of preceding times: straightening crooked paths and widening the horizon of human vision.

No vocation is more potent for such results than that of the financier, for his science is of that element which is to society what blood is to physiology. His mission is to establish and maintain a circulation which will ensure longevity and vigor to the social body.

We appreciate very highly the compliment you have paid us by the selection of New Orleans as your present meeting place; we realize that results most important and valuable to us must follow your visit, and we believe that a study by your members of our situation and condition will lead them to avail themselves of the unparalleled advantages we offer for the safe and profitable investment of capital.

For twenty-seven miles the City of New Orleans fronts a river nearly a mile wide, a hundred feet deep and one hundred miles from the open sea. In her harbor all the navies of the world could ride safe from every danger of storm or tidal wave. Abundance of raw material and cheap fuel lies all about her. From her suburbs stretch vast forests of incredible varieties of growths. The rich coal and iron beds of Alabama and Tennessee are but a few hours' ride from her wharves, and oil springs in abundance from the earth at her doors. The even level of the lands which surround her renders railway transportation through her gates swift and easy. The mighty Mississippi will bring to her the surplus products of its vast and teeming valley for distribution to Europe and to the Americas below us, and through an Isthmian Canal to the far Orient. The geniality of her climate permits, every day in the year, unbroken pursuit of all outdoor activities, and the continuous operation of all industries demanding manual labor, while securing to the toiler comfortable life at little cost.

Her mortality tables compare favorably with those of the average American city of her size; her laws are equitable and her government is liberal.

This brief rehearsal of our city's favors to life and business is not made in any boastful spirit, but because we feel that if your serious and friendly attention is directed to these matters there will, through your efforts, set in towards New Orleans a new tide of talent, energy and capital.

Your convention is of great consequence to us, but it is proper to add that it is also of great consequence to the whole country and to the whole world. While your coming here means special good to this locality, it is certain that your deliberations will be fruitful of general benefits.

In conclusion, let me wish that health, happiness and success may be with you and yours now and always.

THE PRESIDENT: We all regret that the Governor of this great State is not here this morning, but he sends as his representative Dr. William C. Stubbs, who will now speak for him.

ADDRESS OF WELCOME BY DR. WILLIAM C. STUBBS.

Mr. President and Gentlemen of the Bankers' Association—It has become, suddenly and unexpectedly, my pleasant duty to appear before you in obedience to a request from our honored Governor, who is prevented by illness from discharging the grateful courtesy of welcoming you here to-day. His absence is greatly to be regretted, since he, impersonating as he does the mighty machinery of this great Commonwealth, with its wonderful resources and hospitable people, would thrice welcome you with deeper impressions and weightier words than I could hope to do. However, invoking the spell of these potent influences I, in his behalf, extend to you a cordial welcome, accentuated long and loud. The people of this great State have hailed your visit "with eyes that marked your coming and grew brighter when you came."

Gentlemen of the convention, you have arrived to-day in the most unique State and city of this Union. The history of creation might be amended as follows: God rested on the seventh day, and on the eighth he made Louisiana and took the best material of twenty-nine States to do it; and like that other Eden, "out of its soil he made to grow every tree that is pleasant to sight and good for food." So fertile is the soil and genial the climate, that you will find but few of us in a hurry to get rich. The land that was a day late in creation has been content to remain a day late in progress.

In fact, the quiet resignation of our people was recently well depicted in a letter by a sojourner in our midst who wrote contentedly, "In the midst of life I am in Louisiana."

But, Mr. President, we are making progress; not only in Louisiana, but all over the South. Recall Henry Grady's brilliant but truthful description of the return of the Confederate soldier from Appomattox, buttoning up in his faded gray jacket the parole that was to bear testimony to his children of his fidelity and his faith. What did he find? His house in ruins, his farm desolated, his slaves free, his stock killed, his barns empty, his trade destroyed, his money worthless, his social system—feudal in its former magnificence—swept away, his comrades slain in battle, and the burdens of others heavy on his shoulders; without credit, employment, material or training. These were the ruins and ashes of 1865. Devastation was never before so overwhelming, and I assert to-day with positiveness that restoration was never swifter. Agriculture and slavery were the basis of the civilization of old. To-day, agriculture interwoven with other industrial activities has created a system whose present achievement challenges the admiration of the world, and almost bewilders the imagination in its possibilities of wealth-making and power.

Mr. President, it was my good fortune to spend many months last year at Buffalo, and I there studied the habits of the Northern people. I visited several times, while there, the great Niagara Falls and the gorge below them. While standing on the bridge over the latter, and seeing the rushing waters going through, it came over me that Northern life was a sort of Niagara gorge, in which millions of individuals were leaping, plunging, rushing, driving, now on the surface, now dashed on the rocks, now thrown up in spray, now pushed aside in a quiet eddy, but ever crowding on restlessly toward the one end, the acquisition of wealth; and the survival of the fittest seems the only law that controls. Mr. President, if this same money-getting spirit prevaded every one in our State, Louisiana would soon be peopled with many millions of men, and her aggregate wealth become almost fabulous.

THE INDUSTRIAL AWAKENING OF THE SOUTH.

But the South has already passed a few milestones in the march of progress. Prior to the war, the maximum cotton crop was about four and one-half millions of bales. Fifteen years after the planters had stepped from the trenches into the furrows, they had nearly doubled the average crop of ante-bellum times. Since that time they have trebled it, and to predict that many here to-day will see it increased sixfold, is not extravagent. The Southern people have been gradually learning how to raise and manufacture what they consume, and of the $500,-000,000 which is annualy obtained in exchange for the cotton crop, a large part is now kept at home and is permanently enriching our country. Self-confident and strong in our awakening energy, we have sent a challenge to the spinners of old and New England, and last year consumed 1,600,000 bales of cotton in our own mills, an increase of 200,000 bales over the previous year.

A challenge has also been sent to the iron and steel makers of Pennsylvania and Ohio, and lo, the furnaces of Alabama and Tennessee are shipping pig iron across the ocean, and Birmingham, Anniston and Chattanooga are becoming as well known across the waters as Pittsburg. Our mines furnish the coal for manufacturing, railway and domestic purposes. The greasy cataracts recently loosened in Texas and Louisiana, spouting their millions of gallons of petroleum, are about to revolutionize our manufacturing industries, and the world realizes that the future centre of industrial activity will soon be transferred to the shores of the Gulf of Mexico. Our forests are resonant everywhere with the buzz of enormous saws, cutting out timber to be used in the construction of our mills, bridges, warehouses, business blocks, churches, school houses and homes, and the surplus goes over the United States and to nearly every foreign port within the limits of civilization. Our fruits and vegetables have made the North and Canada almost forget that there are changing seasons. From beneath our soils and beds of rivers, phosphates are dug which enrich our own soils, while the residuum finds its way over the world to form the basis of all commercial fertilizers. The former borders of the tobacco fields have been moved in two decades over 200 miles South, and South Carolina and Georgia are now competing with Virginia and North Carolina in a greatly increased product. The superlative excellence of our own cigars, grown under artificial shade, has fairly wrested the sceptre from the "Gem of the Antilles." Turpentine and rosin, tar and pitch, add yearly to our wealth. We have learned the art of shipbuilding, and Newport News, Richmond and New Orleans are launching almost daily an iron hull, varying in size from a tugboat to the great battleships Kentucky and Kearsarge.

Our former oligarchs are harnessing everywhere our wanton water powers, and are fast making them the slaves of our new throbbing industrial life.

Our rice and sugar industries have increased several fold.

Better than all, we have expended $400,000,000 in the public education of our children, white and black alike, although the latter pay but one-twentieth of the taxes, yet have received about one-half of this amount.

Recently at Baton Rouge, in our State, our own Teachers' Association, following in the wake of similar associations in the more northern portions of the Southern States, have

sounded the tocsin of war against ignorance, published a bill of rights of every citizen of this State to an education, and made a declaration of intelligence for every child in this land.

BRIGHT OUTLOOK FOR THE SOUTH'S FUTURE.

My friends, these are some of the achievements of the immediate past under almost insuperable difficulties. With these difficulties largely removed, what will be the future? No prophet in vision can possibly foretell it; no words known to humanity can describe it; no mental organism can imagine it. With the aid of electricity, steam, machinery, telephones, telegraphs, phonographs, automobiles, air motors, yet incomplete, the disciple of progress has one thousand opportunities for development to one presented the Confederate soldier on his return from Appomattox.

THE GREAT RESOURCES OF LOUISIANA.

But, Mr. President, I want to show the possibilities of Louisiana. I have alluded to our unique State and city. Geologically, Louisiana is a very young State. Only a few closing chapters of the world's history are here recorded, and these have been written by water, the great factor in land-making in this State. She has not yet reached maturity, for growth continues yearly at a goodly pace. The Great Father of Waters is annually bringing down over 7,000,000,000 cubic feet of earth and depositing it in the Gulf of Mexico. This sediment is filling up the Gulf and extending the domain of Louisiana. Yea, more, a part of this sediment is floated out by the gulf stream and finds a lodgment upon the banks of Florida and Cuba, thus extending the areas of these two countries. Thus the Peninsula of Florida has been built up, and speaking geologically the time is not indefinitely remote when Cuba, the latest born of the nations, will be peacefully annexed to the dominions of the United States without diplomacy or legislation.

Agriculturally, Louisiana is a princely domain, towering among her sister States far above them all, like Saul among the prophets. Nature has blessed her with a fertility of soil rarely equalled, never surpassed. If you doubt it, visit our cane fields, where to-day hundreds of acres of sugar cane are falling under the stroke of the cutters' knives. Inspect our sugar houses, whose ponderous machinery is converting their juicy contents into the whitest and sweetest crystals. You will find a half million of people interested in the progress of this work, and half a million of acres of the most fertile lands on the globe devoted to this crop, yielding over $25,000,000 annually. If agriculture is a failure here, it is man's mistake. The trouble is not in the fertility of the soil, not in the balmy climate, not in our favorable seasons. This is truly a land of sunshine without sunstroke—a little sunbrowned perhaps, but greatly sun-blest, and the farmer and planter who intelligently strikes her on her spring breasts may fill himself from her fountains.

You can appreciate the nature and fertility of these lands by watching the united waters of the Great Mississippi flowing past us with a freight of sediment stolen from over a thousand townships. Remove a glassful of it and set it aside to settle, and you will have a deposit gathered, like this convention, from all parts of the Union; from the fertile farms of New York and Pennsylvania, from the sandy cliffs of the great Kanawha, from the clayey slopes of the Ohio, from the blue-grass regions of Kentucky and Tennessee, from the corn prairies of Illinois and Iowa, from the melon patches of a Cheyenne squaw, or from the canyons of the far-famed Yellowstone.

Louisiana has 20,000 square miles of such soils, formed from the best materials of twenty-nine States.

Go, next, to the Attakapas prairies, once the peaceful abode of the Creole pony and cow now a vast rice field with half a thousand miles of canals and a thousand artesian wells, densely filled with happy homes of many thousand sturdy Western farmers, congregated into cities, villages and hamlets which loom up with spectacular grandeur like silhouettes upon the sky-skirting horizon. Go into their fields and see how they have applied the mute instruments used in wheat farming to the more profitable cultivation of rice. You will see Iowa or Illinois reproduced, gilded by the glorious sunshine of Louisiana. Millions of dollars have been made in this section in the last decade, and millions now await the immediate future. Visit our Red River section, you will find the fertility of the Nile with the healthfulness of the Hudson. "A dwelling place for man by far the finest on the globe." Its latitude, elevation, soil and rainfall all combine to make it capable of sustaining a dense population. In this State is the centre of maximum production of cotton. The staple grown upon these lands is pronounced "for elasticity and strength of fibre" the finest in the world, and its high appreciation by English and Eastern spinners is attested by the constant presence of these buyers on our market. It is gold from the instant it puts forth its tiny shoot. Its fibre is current in every bank, and when it loosens its fleece to the sun and floats its snowy banner which glorifies the field of the humble farmer, that man is marshalled under a flag that shall compel the allegiance of the world and wring a subsidy from every nation on earth.

Other sections might be visited, but these will suffice.

Our staples are sugar, rice and cotton, but many other crops are grown. Corn, oats, Alfalfa (with five to eight cuttings per year), clovers, grasses, Perique tobacco, and trucks are all extensively grown. Oranges, figs, pomegranates and pecans are our famous fruits. Improved stock raising is everywhere on the increase.

But Louisiana has other than agricultural resources. Her forests are teeming with timber of all kinds. Over sixty per cent. of the entire forest wealth of the United States is in the South, and of this amount Louisiana has the lion's share of over 50,000,000,000 of feet of available pine alone. Our cypress mills cut over 300,300,000 feet of finished lumber annually, while our other timbers furnish quantities of staves (for foreign markets) oars, spokes, hubs, paper pulp, etc.

In minerals we have endless quantities of salt, sulphur, gypsum and petroleum, to say nothing of our marble, iron ores and lignites.

Our facilities for getting our lumber, minerals and soil products to market are marvellous, and will be appreciated when it is known that navigable waters penetrate every one of our fifty-nine parishes, save four, and give us the cheapest transportation known. Add to this our coast line of 1250 miles, and Louisiana has here a wealth that many an inland State would covet.

I need not speak here of our 7,000 square miles of oyster beds, which when properly cultivated and handled will bring to the State millions of wealth. Nor of our varied and abundant supply of fish, crabs and shrimp, sources already of great profit to our people and of endless sport to the followers of Isaac Walton.

FAVORABLE LOCATION OF THE STATE.

But, gentlemen of this convention, Louisiana's largest natural resource is her location. Situated on the Gulf, connected inland by the great Father of Waters, with an immense territory, stretching from the Appalachian to the Rocky Mountains, and outward through its mouth with every port on the globe, it must be the gateway through which the exports and imports from the entire Mississippi Valley, now populated with over 30,000,000 of people, must pass. The Northern coast of the Gulf of Mexico is the natural centre of trade for the Western Hemisphere. The configuration of the continent, the direction of the great rivers, the sweep of the ocean's current and the prevailing winds, all point to the mouth of the Mississippi as the natural centre. Hence, New Orleans, the pride and boast of every Louisianian, and an integral part of this State, has been founded by commerce and is to-day the chief commercial emporium of the Southwest.

Her greatness and commercial grandeur, now rapidly increasing, will be given a large impetus by the completion of the Nicaraguan or Panama Canal. Indeed, an investigation of the map of the United States and a thorough knowledge of the international trade relations, will, we think, justify the prediction that in the fast-coming future there will be four, and only four, great commercial emporiums in the United States, New York on the East, Chicago on the North, San Francisco on the West, and New Orleans, the peer of the others, on the South. Nothing can prevent a realization of this prophecy but an imperial despotism holding huge investments elsewhere. New Orleans must dominate the commerce of nations. Her extensive wharves (thirty miles in length, if needed), her splendid harbor, her banking facilities, daily increasing, her live and energetic business men, her large and growing manufacturing interests, all unite with her splendid location in proclaiming her future grandeur.

HIGH CHARACTER OF THE PEOPLE OF LOUISIANA.

In conclusion, a word relative to the population which is developing our resources. Of the typical Louisianian a special mystery seems sometimes to be made. But Louisianians have reason to be proud of their historical descent. They have a history as authentic as the Puritans of Massachusetts, as aristocratic as the Cavaliers of Virginia, and as devout as the Huguenots of South Carolina. The State's colonial structure was reared by the best blood of France; it was afterwards directed by Castillian grandees, and finally incorporated into the American Union under Claiborne and his associates. Louisianians are a brave, chivalrous, generous, hospitable people, whether tracing their history to Bienville or Lausatt, O'Reilly or Salcedo, Claiborne or Wilkinson. The descendants of the above, mixed with English, Irish and Scotch immigration and the offspring of the Cavalier and Huguenot settlers from Virginia, Georgia, Alabama and the Carolinas, together with the numerous additions from Northern and Western States, make up the population of Louisiana. These different types, vying with each other in the cultivation of their noble traditions and refined associations, have become homogeneous and to-day exhibit the finest traits known to humanity, evidenced everywhere in the generous hospitality, the chivalric spirit, the punctilious courtesy, the knightly hand, the Christian knee, the clean firesides and the holy altars cherished in the heart and home of every Louisianian.

Gentlemen of this convention, in the name of the Governor, and in the name of these people, we bid you a welcome, thrice welcome, to Louisiana.

THE PRESIDENT: Gentlemen, I now have great pleasure in presenting Mr. R. M. Walmsley, President of the Clearing-House Association, who will also give us a welcoming address.

ADDRESS OF WELCOME BY R. M. WALMSLEY.

Mr. President and Members of the American Bankers' Association—It is my mission to extend to you fraternal greetings from the associated banks of New Orleans, and I take great pleasure in doing so.

The bankers of New Orleans, with unusual interest, hail your gathering at this time and at this place. We look upon your present meeting as perhaps the most important since your organization. You meet at a time when the financial problems of the nation are under general review, in fact, I may say, under close inspection. The eyes of not only this community are upon you, but from every part of our country the business world is looking to you and will await your discussions and conclusions with unusual interest.

In my intercourse with men I find that there are many who seem to understand, or think they understand, all financial questions, not only of this country but of the world. As for myself, I do not pretend to know very much about them; sometimes I think I know but little more about finance than I do about astronomy, and I can assure you my knowledge of astronomy is very limited. We are, however, told that the planetary system is governed by laws that are exact; and this we have every reason to believe, since eclipses of the sun and moon are calculated with absolute accuracy years and centuries ahead of their occurrence. We know, too, that we have national laws applying especially to our monetary movements and currency system, which are very exact—so much so, that we believe they might be relaxed, amended or changed so as to benefit the people and the nation. In other words, the commerce and business of this great and expanding nation have outgrown its currency system. Our standard is as it should be; and there is another great and good thing about our currency system: that is, its absolute safety to the note holder. When I first began active business there was a periodical published that has now ceased to exist. It was called "The Counterfeit Detector and Bank-Note Reporter." It was indispensable to business, as we had to be on the lookout for bank failures, and also to ascertain the discounts upon the different bank issues at money centres; but now a note holder feels so safe that he does not look to see whether a note is issued in Maine or California; whether a bank is going on or is closed; in either case it is absolutely good everywhere. A sound currency, perfectly guarded, is the first consideration; and the second is that it should be of sufficient volume to meet conservative business requirements.

At this time there is great and undoubted prosperty prevailing in this country, and it extends from the east to the west, and from the north to the south. Accompanying this there is great confidence, which of course is absolutely essential to what we call prosperity; for without confidence nothing seems to prosper. The fields, forests, and mines of this great nation are all giving forth their products with a munificence never before known. Industrial enterprises of almost every kind and character are contributing to the commerce of the country a volume that is almost overwhelming. In other words, life and activity in the business of this great nation have reached a point unparalleled in its history.

As we grow older we seem inclined to indulge in retrospection. Though we may not live much in the past, still the inclination is to look back over the road which we have travelled. I shall never forget August of 1857, when, like lightning from a clear sky, the failure of the Ohio Life and Trust Company was announced. Preceding this there had existed quite a long period of monetary ease, with active speculation, small then, of course, in comparison with transactions of to-day. The panic that followed the failure of this institution was a veritable financial cyclone. We say that experience is a great teacher, and it is; but circumstances and conditions change so radically that it is difficult sometimes to make experience fit conditions as they arise. Still, lest we forget, it is perhaps the part of wisdom to call to mind occasionally things that have happened.

Gentlemen, in conclusion, I wish to say that we are glad to see you here, and that we are not only willing to sit at your feet and learn, but gratified with the opportunity of doing so; and we expect to drink from your sources of knowledge and wisdom, feeling well assured that we shall not be disappointed.

REPLY OF PRESIDENT HERRICK TO THE ADDRESSES OF WELCOME.

Mr. Mehle, Mr. Gilmore and Mr. Walmsley—In behalf of the American Bankers' Association here assembled, I will say that we consider ourselves fortunate to be your guests in your hospitable city, and we appreciate your kind words of welcome. After listening to

your announcements of the good things in store for us we feel a trifle like the small boy on the other side of the fence, who, being taunted by the children of more opulent neighbors, that "We have carriages:" "my father has factories;" "my father has banks;" and so on, after deep reflection said, his face lighting up with enthusiasm, "We 'uns got a skunk under our barn."

You have made your welcome so warm, gentlemen, that we have about concluded to spend the winter here. I have heard several of our northern members say that if you would throw open some of your beautiful houses on Jackson avenue they would stay with you all winter. But you might find yourselves in the position of a friend of mine who was entertaining a guest—and he expected others—who had sort of out-stayed his welcome, and he did not know how to get rid of him. Finally, in the morning, at breakfast, he had a happy thought, and, as he asked the blessing, he said: "O Lord, with thy manifold blessings which Thou hast given us, we ask a special blessing for our guest who departs from our house this day."

We, of the North, have latent in us all of the good sentiments which you so beautifully express. We cannot hope to compete with your southern oratory. We offer, however, in the way of competition, our mills and our factories; and we have none the less a very warm feeling for the people of the South. Nothing has interested and pleased the people of the North more than to note your advancement in commercial grandeur. Nothing has created a more profound or lasting impression on the people of the North than the heroism exemplified in your patriot who gave his life for this nation which did so much to bring together and cement the old relations between the North and the South, and we trust and believe that that good feeling with which he was received will be continued and grow in strength until the line of demarkation which is growing fainter every day shall have been entirely obliterated. I trust we will live to see the time when it is entirely wiped out.

We know your splendid history; we know of those trials which brought the early settlers to this country. It has been said "God sifted three kingdoms in order to find seed grain with which to plant a republic." You come from the best French and Spanish stock; and there was no lack in that primal stock—no weakling founders builded there. God took France by the rim and shook it until the blood ran in the streets like open arteries, and He sifted out the best in that old kingdom, and it came across the stormy seas and found settlement in Louisiana. We see evidence of it all around us to-day.

Once more, I thank you for your hospitable welcome. We have felt its melting influence —and we already feel richer because of that "deposit" which was spoken of by Dr. Stubbs which we found in our bathtubs this morning.

Gentlemen, of the American Bankers' Association, I congratulate you upon this auspicious opening of your meeting—the twenty-eighth annual convention. The attendance to-day is, I believe, larger than has ever graced the opening session of any of our conventions.

President Herrick then delivered his annual address, as follows:

Annual Address of President Myron T. Herrick.

American democracy, in its imperial progress, has found its power and sure support in the confidence and good will of a mighty nation, emphasized in its bankers. Its trade conquests, its financial gains, international prestige and its world-sweeping plans are personified, for the average observer here and abroad, in the masterful gentleman who presides in his unpretentious banking-house at the corner of Wall street and Broad. This banker son of a banker is a prodigy in the eyes of scores of millions in the civilized world. He stands before the world as the embodiment of all that is overwhelming, magical and epoch-making in recent American commercial growth and life. He is looked upon as the incarnation of the power of money, the climax of militant wealth and American lust of commercial and industrial dominion. Yet Mr. Morgan is not even incorporated. Banking in this most potent and portentous form is not a great stock company, still less anything which can be called a trust. It is merely a man and his partners. It is a Connecticut Yankee, who has gained a wonderful control of Wall Street, not, however, by inherited riches or lucky gambling, but by the force of his personality and his commercial generalship.

Here is a fact well calculated to compel radical readjustment of the cherished notions of those who have made a hobgoblin of banks and bankers, and named their monster the "money power." Other conditions, equally impressive and conspicuous, have been operating forcibly in the same direction.

In an era of trusts (using the word in its popular sense) and great combinations aiming at the restriction, if not the entire removal, of competition, a movement reaching far and wide in trade and productive industry, the banks have gone on in the old way, everyone for itself, wedded to the idea of individuality and independence as a cherished tradition. The

banks of the United States stand before their country and the world examples of solidity conservatism and straightforwardness. In its very nature banking is the opposite of the business of any trust of the type which constitutes a political storm center. There can be no monopoly of product in banking, nor can we imagine a combination among debtors that would restrict commerce, yet we must acknowledge it to be the chief business of banks to become debtors. Collectively they constitute the circulating system of the vital fluid of commerce, and while acting harmoniously, are productive of the greatest good.

These facts are too big and plain to go unnoticed by the average American. There is no dodging their meaning. They acquit banks and bankers of the charges which at various times and in certain places have been made to pervert public sentiment and to prejudice the public against a class of men whose notable services are too often discounted by ignorance and thoughtlessness. The more the tendency toward combination and the restraint of competition affects commerce and industry, the more the banks will inevitably gain favor by contrast. The greater the force of the trust movement in the direction of over-capitalization, the readier the country will be to look upon banks and bankers as champions of independence in business and as safeguards of conservatism.

Do not these conditions present an opportunity to the banking interests of the United States which is too valuable to be lost? Have we not, as bankers, been given the best chance ever accorded to insure to us the hearty good-will and entire confidence of the American people which shall mean not only faith in the solvency of the banks, but also a friendliness toward them and a willingness now and then to look, through bankers' spectacles, at legislative and other questions? Have we not learned that we are not profitably enriched by the increment of usurious interest which is really witholding blessings from the needy? Is any greater gain to be hoped for from the concerted action and the utmost influence of banking interests than the winning of such complete public trust and good-will as the American banks and bankers have always desired, but have never as yet obtained?

It is not many years since the most conspicuous labor organization of that day in the United States barred from membership just three classes. They were the saloonkeeper, the lawyer and the banker. And a painfully large number of men, other than Knights of Labor, thought the grouping was sensible, or perhaps rather hard on the liquor seller. The feeling which found expression in this curious bar to American knighthood has been greatly weakened by the logic of events, even where it was formerly most common. Too many of those who fifteen or twenty years ago were avowed enemies of the banks, have become depositors and stockholders in the institutions which they denounce, to permit of the continuance of such sentiments.

The impression that Federal legislators have, that much of this prejudice and suspicion remains, makes bankers, as a body, an unpromising source of proposed legislation on the money question. As individuals, working directly with Senators and Representatives, party leaders and political organizations, the members of our association can exert far-reaching influence on the side of common sense and sound policy. But as an assemblage of bankers, could this convention take positive action in favor of any sharply defined and finished scheme of financial legislation without great danger of hindering rather than helping the wide and permanent development and improvement of the money system of the United States? Would it be possible to go so far without furnishing texts for demagogues and frightened, timid lawmakers and political leaders? In Ohio, we have learned by long experience, as one of the States composing the "buffer," which the Middle West has interposed between the vagaries of the newer States beyond the Mississippi and the uncompromising and sometimes over-aggressive orthodoxy of the East, that the gains which are of vital importance are often most easily won by discreet pliability regarding non-essentials. Prudence in ways and means of progress is not unfaithfulness to a cause or renunciation of a purpose.

The imperative need now, as in the past, is that every part of the circulating medium of the American Republic shall not only be as good as gold under all stress of business weather, but shall have the reputation merited by its character. A dollar doubted is a dollar half destroyed. The folly or injustice of the great suspicion makes small difference in the hour of danger. Flexibility in the body of currency is very important, but, it should never be forgotten, the vital point is that nothing used as money shall be distrusted. It is not what the logic of financiers proves, but what the man in the street feels, which makes the difference between safety and peril for banks in the frenzy of panic or the lean years of industrial and commercial depression.

Enthusiastic advocates of the Scotch banking system, with its circulating notes secured by the assets of banks of issue, and its wide multiplication of branch banks, supporting the central institutions in emergency, are prone to overlook or ignore our conditions, which cannot be pushed aside at will. In this country there is no Postal Savings Department to make the National Government the debtor of thrifty wage-earners and others of small means. Here deposits in Savings banks form a very large part of the money used by the banks of discount. The National banks and the Savings banks are bound together by ties of self-

interest and interdependence, and any scheme for throwing new responsibilities upon National banks which would force them to assume the regulation of note issues and the adjustment of the supply of money to the needs of business, would equally affect their allies. The very nature of the American Government makes universal suffrage forever to be reckoned with in legislation affecting banks and currency. A small, especially instructed class, will never be able to control lawmaking in the field of finance, as it does in Great Britain. We have to deal with a more mobile and emotional people than our kinsman in the United Kingdom, and conditions are not the same. What that means has been impressively shown in the British colonies.

President Stickney, of the Chicago Great Western Railway Company, urged with marked ability before this association last year that the experience of Canada proved the desirability of branch banks and note issues secured by bank assets, and we wonder that anything other than a Scotch banking system should be taught by the experience of the great self-governing colonies of England. The ordeal which Australia passed through after the Baring failure is suggested in this connection. In that country of very large gold reserves and exceptional per capita of wealth, the multiplication of branches of great banks established at Sidney, Melbourne and other cities, had been carried to the extreme limit of possible need, in the most active times. When the crash came in land values, as an inevitable result of overspeculation and when general business languished, the banks did not pay and they could not safely be closed when the public was uneasy and apprehensive. The managers of branch banks had been far too ready, in eager competition for patronage, to procure the loaning of funds on security unfit to stand the test of hard times. In the beginning of 1892 there were twenty-eight banks in Australian colonies of Great Britain, with more than 1,700 branches, which had gone through the first crisis of 1891. But in the following year panic swept the Antipodes. Immense banks, one after another, succumbed to ruin and losses. Some had deposits reaching $50,000,000 apiece. Others owed their patrons from $25,000,000 to $35,000,000. In several instances a single big institution had over 100 branches. Several banks went down in spite of capital paid in to the amount of more than $5,000,000 apiece.

Never, in modern times, has been experienced any such collapse of banks and destruction of confidence in financial institutions of the country as Australia endured in 1891 and 1892, notwithstanding its very complete development of Scotch banking. While branch banking has proven, on the whole, a desirable plan, it appears that there is no system which insures safety in a carnival of imprudence and inflation of values.

The truth is plain that the individual responsibility on the banker can never be shifted upon any general scheme. The man, not the law, counts most in the crucial test. Prudence, courage and tact carry banks through evil days under our too rigid American statutes, when the absence of such qualities would inevitably bring ruin regardless of what might have been attempted by legislation to promote banking and lessen its risks.

I do not mean to say that bankers should omit to do what they can do properly and safely to bring about the improvement of laws regulating banking and currency in the United States; but it should be carefully considered in every case whether more is to be lost than is gained. Confidence, friendly community of interests between banker and depositor, and general good-will should not be jeopardized in the pursuit of fads, or in attempting to persuade Congress to abolish with one fell swoop the existing order of things, sub-Treasury and all, as inadequate as they are to the requirements of a great commercial nation, and to supplant them with a financial system, a large part of which, owing to our peculiar circumstances and political institutions, must necessarily consist of unproved theories. That a change is urgent can not well be denied. However, evolution is safe, revolution is dangerous. The banks are sharing the prosperity of the ration. Conditions improve in the relation of the Federal Treasury with the financial interests of the country. Congress has conceded many points in the line of justice and common sense; the Secretary of the Treasury has recently made liberal rulings. National bank notes can be issued on better terms than was possible a few years ago. The stock of money in the United States and in the civilized world grows steadily and rapidly. South Africa was producing almost $100,000,000 in gold annually before the Boer war. For two years it added scarcely anything to the world's supply of the basic money metal of civilization. Now the mines of the Witwatersrand district, in and about Johannesburg, are turning out $3,000,000 a month. The best authorities agree that the production will steadily rise until it reaches $10,000,000 a month, and will remain at or above that level for a long time.

The world will surely feel such changes in the supply of gold.

Prices here have already been enforced upward, as is evidenced by the late decrease in exports and the increase in imports, beyond the dictates of prudence, and in such a movement this country is never backward. It is questionable whether the lasting good of the American people would be conserved by anything tending strongly to loosen the money market. Perhaps speculation needs the check of stiff interest rates. No safe expansion of the most flexible circulating medium could ever match the desires of borrowers, in the years of spectacu-

lar money-making and boundless hopes. Possibly existing conditions in the loan market are none too strict to curb over-inflation tendencies.

While we boast of an increase of $4,000,000,000 in bank deposits throughout the country in the four years last past, we are not unmindful of the fact that during that period the banks have shown no increase in the amount of real tangible money, such as gold, silver and legal tender. The loans have kept pace with this abnormal growth in deposits. During this period also we have become indebted in the way of temporary loans abroad amounting probably to $200,000,000 or more.

Does this not show an undue expansion of bank credits, and an overloading of the money market with debt?

Shall we not, then, be wise and content to promote proper financial legislation simply as American citizens, not striving as an association to furnish ready-made laws on any subject? It would be a sorry day if bankers were ever to forget that they have peculiar responsibilities which dwarf whatever possible obligation rests upon them to take part, as a class, in lawmaking. I can not believe that the country is ready to accept a bank-made scheme of legislation. However, it is more willing now than ever before to give the banks their full share in the favors of Government in tardy recognition of the fact that they are now, as they were in Jackson's day, really the simple embodiment of and receptacles of the active industrial power of the people and, as such, entitled to an equitable participation in all the abounding glories of this great Republic.

THE PRESIDENT: We will now listen to the report of the secretary.

SECRETARY'S ANNUAL REPORT.

November 1, 1902.

The membership and resources of the association have increased as follows:

September 1, 1901—	
Paid membership	5,381
Annual dues	$59,500
November 1, 1902—	
Paid membership	6,354
Annual dues	$67,000
The $800 interest from $20,000 Government fours of 1925 makes the total income	$67,800

In the past year 186 members were lost through failure, liquidation and withdrawal from the association, reducing the membership to 5,195; 1,159 members have joined since September 1, 1901, a net gain over last year's total membership of 973.

The annual income of the association has increased $7,500 since September 1, 1901.

The capital, surplus and deposits of members aggregate over eight billions of dollars.

Respectfully submitted, JAS. R. BRANCH, *Secretary.*

THE PRESIDENT: If there is no objection, this report will be received and placed on file.

The report of the treasurer is next in order.

TREASURER'S ANNUAL REPORT.

CHICAGO, Illinois, September 1, 1902.

To the American Bankers' Association:

Gentlemen—I have the honor to submit the following report of receipts and disbursements since the beginning of the current fiscal year, viz., September 1, 1901:

General or Membership Account.

To Cash, September 1, 1901—	
Standing protective committee	$28,235.65
Committee on fidelity insurance	1,742.79
Committee on education	8,127.84
Committee on uniform laws	62.25
Trust Company Section	1,863.50
Expenses of Milwaukee convention	5,069.99
Buttons for Milwaukee convention	367.50
Proceedings, 1901	8,518.82
Distributing proceedings	958.54

125,518 circular letters and pamphlets	743.35
Stamped envelopes	1,307.72
Printing, stationery, etc	488.60
Salaries	12,603.48
Sundry expenses	617.09
Expenses account executive council meeting, New York, April 24 and 25, 1901	78.00
Executive council meeting, New York, April 23 and 24, 1902	2,453.40
Rent	1,500.00
Petty cash	120.00
New York Telephone Company	158.05
Bonding officers	56.25
Traveling expenses of secretary	309.90
Dues returned received in error	20.00
Drafts charged back (166) account dues for year 1901-1902	1,780.00
Balance August 31, 1902	63,718.52
Total	$135,921.24

By Cash, September 1—

Balance		$63,084.09
Account bills deposited August 31, 1901, for membership dues 1901-1902		160.00
Interest on bonds		800.00
Refund from Western Passenger Association account special agent's services at Milwaukee, Wisconsin		6.00
Balance transferred from trust company forms account		1,799.80
Dues from members 1901-1902:		
356	$1,301.35	
527 at $5	2,635.00	
87 at $10	870.00	
84 at $15	1,260.00	
9 at $20	180.00	
12 at $30	360.00	
		6,606.35
Dues from old members paid in advance for 1902-1903—2,009 members		21,655.00
3,919 bills for membership dues for the ensuing year (subject to the deduction of unpaid bills) deposited with Continental National Bank, Chicago, Illinois		41,810.00
Total		$135,921.24
Balance August 31, 1902		$63,718.52

Standing Protective Account.

Balance September 1, 1901	$3,462.31	
Transferred to this account from general or membership account in accordance with resolution passed by the executive council	28,235.65	
		31,697.96
Disbursements to September 1, 1902		31,697.96

The treasurer holds for the association as an investment $20,000 in four per cent. United States registered bonds of 1925 of a market value of $27,500.

Respectfully submitted, G. M. Reynolds, *Treasurer.*

The President: This report will be received.

The report of the auditing committee is next in order.

Report of the Auditing Committee.

To the Members of the American Bankers' Association:

Gentlemen—We, the undersigned committee, beg leave to report that we have examined the account of George M. Reynolds, Treasurer, together with the accompanying vouchers, and have found the same to be correct as reported.

W. T. Fenton,
C. A. Latimer,
Alex. C. Cambell.

The President: We will now receive the report of the executive council, which will be presented by Mr. Bigelow, its chairman.

REPORT OF THE EXECUTIVE COUNCIL.

F. G. BIGELOW: Mr. President, and Gentlemen of the Association—There has been no change in the method of conducting the affairs of your association during the past year. The work is done, and properly done, by committees and by the active officers, whose comprehensive reports will be laid before you, and you will find all details therein.

The growth of membership this year has kept up just about the same extraordinary rate of increase as last year. About 1,000 members have been added to the roll, which now numbers about 6,350. Your income has been increased a little over $7,000, and is now about $67,000. During the last seven or eight years your membership has grown from 1,500 to about 6,300, and your income from about $15,000 to over $67,000. I merely make the suggestion to you all, though that matter will come before the council itself, that this should, in my view, be very generously taken into account in fixing the salaries of those on whose shoulders lies the burden of active work. I think in that matter we can afford to be not only just but generous, and I wish to thank the secretary and those under him for their attention to their duties during the last year.

The treasurer's report will show our financial condition to be excellent. Our income, though large, has been practically used up this last year, though I doubt if the expenses will be so great the coming year, there having been some extraordinary uses for money. The association owns $20,000 of the long time United States four per cent. bonds, worth nearly $28,000, and I shall recommend to the council to sell these securities and to make some other conservative investment that will pay a better rate of interest.

The work of this committee continues, as in the past, to be of the very greatest importance. It has used nearly half the income of the association in the past year, which is to say (as will perhaps be more particularly shown in the committee's extended report) that the minimum fee paid the association for membership dues is entirely used up in the efficient work of this one committee. The good done by the protective committee is more especially for the benefit of the smaller banks of the association, as with lighter equipments and in remoter districts they are more vulnerable. If it were necessary (which it is not) to increase the annual dues, I think every small bank in the country could well afford to belong to this association, even at twice the cost for dues, and it is well enough in this brief way to point out the advantages enjoyed by our members.

I commend especially the work of this committee and the able and thorough report of its chairman; much has been accomplished, and it has been a good work. We have an admirable form of bond and the protection it affords is appreciated by our members. It may be that something further may be done in getting concessions and rates and the income thus derived may be used for the purposes of the association, or may be given to the members direct. The report implies much extension of work in new lines for this association and under proper restrictions, I think this may be well taken up.

The work of the committee on uniform laws, and of its chairman, Frank W. Tracy, has been unremitting and painstaking and has accomplished much good. It should be carried forward until every State enacts uniform laws.

The committee on education had an appropriation last year of $10,000, and I believe it is to ask for a less sum this year. I refer you for particulars to the report of the committee, and I hope the work will be carried on and made as practical as possible.

The repeal of the War Revenue Act has taken effect since our last meeting. In this connection I call attention to the report of Mr. A. B. Hepburn, chairman of the committee that had to do with getting the act repealed and with trying to secure what seemed to your executive council a more just interpretation of it. To this end, as you will see by his report, the association took up the expense of contesting in the courts the decision of the commissioner that banks should be taxed not only on their surplus, but on their undivided profits. So far the banks have lost their case, but the appeal is on now. The president of this association and your chairman took this responsibility, deeming it appropriate, and they ask your approval. Your chairman regrets that there should have been some cases where the surplus was so small and the undivided profits reported so large as to make the work of contention more difficult.

I think it not inappropriate to refer in a general way to questions of currency reform, papers on which will be presented before this convention. I do so mainly to ask that any efforts in that direction, or any action that the convention may take, or any resolutions it may pass, be concentrated, and that we work only for what we can agree on and fairly hope to accomplish. It would seem to me that in the recent congestion of the money market, arising from the country's abounding prosperity and its inevitable resultant, a strong market in securities, the Administration and the banks have come nearer together, and that the Secretary of the Treasury and the Administration behind him should have our congratulations on having taken the initiative and rendered assistance—not, in my opinion, in a crisis, but in a

period which acted a little like the approach of a crisis—and this assistance was rendered in such a way as to leave no room for reasonable criticism. because no money was restored to commerce except that which had been taken from the channels of commerce by the operation of the War Revenue Act and the excessive receipts of the Treasury even since that act's repeal. The operation of this law under entirely rigid enforcement might some day tie the business of the country up in a hard knot. Nor is it a reasonable contention that when these deposits shall some day necessarily be withdrawn in whole or in part by the requirements of the department, there will be any crisis, for that would then mean no more than the ordinary transfer of funds in any business, the money remaining in the channels of commerce. This entering wedge may serve to bring about the repeal of the sub-Treasury system. As to what we may agree upon and accomplish, I think there should be practical unanimity in advocating a law authorizing the Comptroller of the Currency to issue to National banks with $50,000 capital or more and at least twenty per cent. surplus, circulation to fifty per cent. of capital with six per cent. tax (one-half per cent. a month). This is Mr. Hepburn's plan, and I heartily approve it as sound and unobjectionable. I like also his elucidation of the plan in an address recently published, save his reflection that the next panic will be "man's size," which must mean larger than ever before. This is not philosophical, as the panic of 1857 was infinitely worse than that of 1893, and the latter was exaggerated by doubts about the standard of value, and that ghost is laid. With strong combinations of capital and ability, with a fixed standard, and the great general wealth of the country, it ought not to be possible to have a panic again of the size of 1893.

The genius of our people rests in our union in government—our unity in our efforts. So far from one section having become independent of another, we should be bound more closely together.

Long after we shall have finished debating it, New York city will be the financial center of this country and of the world.

At a meeting of the council, held last evening, I, as chairman, was directed to recommend to the convention the adoption of the following proposed amendment. This was proposed by the President of the Emigrant Industrial Savings Bank, of New York city:

"By-Laws. Sec. 5 (additional). A section of the association, to be known as the Savings Banks Section, is hereby established, which shall meet annually in connection with the meeting of this association; its scope shall embrace all matters relating especially to Savings banks, with a similar programme and proceedings as the Trust Company Section, and it shall be under the supervision of the executive council."

G. B. LATIMER, of New York: I move the adoption of the proposed amendment.

(The motion was seconded, and the amendment was unanimously adopted.)

MR. BIGELOW: In this connection I hope some delegate will move to strike out the words "Savings banks without capital," so as to put them under the same rule as to dues with other banks.

A motion to this effect was made and adopted.

MR. BIGELOW: It was also directed by the council that the following amendment be recommended for adoption. This is an amendment to Art. III, Sec. 1, of the Constitution and By-Laws:

"Sec. 1. Add the words 'ex-presidents of the association,' making the paragraph read: The president and first vice-president and ex-presidents of the association shall also be members ex-officio of the executive council."

This is in the order of Senator Evarts' famous remark that the X's should come before the Y's (laughter).

On motion of Mr. Kauffman the proposed amendment was adopted.

MR. BIGELOW: I was also directed to report to the convention, without recommendation, the following preamble and resolution offered by Mr. A. J. Frame——

A. J. FRAME, of Waukesha, Wis.: Mr. President, I am the author of the resolution referred to, and, with the permission of the house, I desire to ask that the consideration of the subject be postponed until after the discussion which is down on the programme to take place at to-morrow's session.

THE PRESIDENT: If there is no objection, the matter will take that course.

Next in order on the programme is the report of the protective committee, but as that has been printed and pretty generally distributed to the members of the association, we will not take up the time by having it read in full now.

THE REPORT OF THE PROTECTIVE COMMITTEE.

The protective committee begs to submit the following report of the work committed to its care by the executive council for the years 1901-1902:

Balance as per treasurer's report September 1, 1901	$3,462,31	
Appropriated by the executive council	30,000,00	
		$33,462.31
Paid account expenses 1900-1901	$926.81	
Paid account expenses 1901-1902	30,771.15	
		31,697.96
Total receipts	$33,462.31	
Total expenditures	31,697.96	
Balance September 1, 1902		$1,764.35

More than thirty-nine hundred letters and reports have been considered by the protective committee from September 1, 1901, to September 1, 1902, compilations wherefrom have been forwarded to members in pamphlet form, including one hundred and six circulars, accompanied by forty-eight photographs and descriptions selected by the detective agents of the association, affording a warning and means of identification in every part of the country.

In special instances circulars have been issued as follows:

In October, 1901, banks and attorneys throughout the West were notified of the operations of Charles E. Alburn, of various aliases. On January 13, 1902, he was arrested at Antonito, Colorado, and jailed pending trial. He assaulted the jailer and emptied the latter's revolver at the sheriff in an ineffectual effort to escape, and on May 6, 1902, was sentenced therefor to imprisonment of from twelve to fourteen years. He first operated upon a member of the association at Topeka, Kansas, where, on August 29, 1901, he defrauded the Bank of Topeka for $900, cashing a draft for that amount fraudulently drawn to his order on the National Bank of St. Joseph, Missouri. While the agents of the association were investigating this swindle they received word of similar operations at Cripple Creek, Colorado, where the First National Bank had paid a bogus certified check for $750. In each instance the swindler was introduced at the bank by reputable local attorneys who had acted for him in negotiating the sale of out-of-town property by mail. He would secure and respond to their letters, accepting the offers made, and inclosing bogus drafts in settlement. On his reappearance to learn the result of their efforts, his attorneys would accommodate him with an introduction at the bank. Alburn was identified for operations in California, Idaho, Kansas, Colorado, Texas and Nebraska.

On January 24, 1902, a second circular was issued in the matter of the First National Bank, Winnemucca, Nevada, which was robbed on September 19, 1900, of $32,640 by three outlaws who escaped into the mountains. Since the issue of our first circular in the spring of 1901, Harvey Logan, mentioned therein, has been arrested at Knoxville, Tennessee, and held for shooting two officers who were attempting his capture. In July, 1901, Logan's band robbed an express train near Wagner, Montana, securing incomplete new bank notes en route to Helena banks. On November 5, 1901, Benjamin Kilpatrick, a member of the band, was arrested at St. Louis, Missouri, for passing some of the stolen notes and was sentenced to fifteen years' imprisonment. On April 17, 1902, O. C. Hanks, another member, while resisting arrest at San Antonio, was killed by Texas officers. His photograph and description on the circular of the association, together with some of the stolen bills found in his possession, perfected his identification. George Parker and Henry Longbaugh, who have been indicted for the robbery of the bank at Winnemucca, are the only members of the band now at large. Our circular presents photographs of these men, with numbers and denominations of stolen bank notes which may be in their possession, and offers rewards aggregating $4,000 for their capture.

Two other cases which have been the source of considerable expense during the past year have been advanced toward completion by the arrest and conviction of the principal offenders.

In the matter of the contemplated burglary of the First National Bank, Cobleskill, New York, November 26, 1900, when the town watchman was killed, we referred last year to the capture of three of the burglars and the death of a fourth. We have now to announce the capture of the two members of the band then at liberty, and the termination of the first trials, which resulted in the conviction and sentence to death of James Sullivan, October 25, 1901, and William Hinch, January 28, 1902, and the incarceration of Edward Jackson under a sentence of nine years and eleven months. The cases of Sullivan and Hinch have been appealed, and will come to a hearing in November. The remaining two members of the band are held pending a final disposition of the case.

On March 25, 1902, James Farrell, the organizer and manager of a dangerous band of swindlers, was sentenced in New York city to six years and six months' imprisonment. Under his direction, from October, 1900, to January, 1902, intermittent operations with bogus checks were conducted on the banks at Boston, Brooklyn, New York, Philadelphia, St. Louis, Balti-

more, Cleveland and Chicago. Of the eight men who operated, all have been arrested and six have been sentenced. In August, 1901, Henry Greaves and John Nelson were arrested in New York city and sentenced to prison for three years and six months each. Michael Farrell, the only other known member of the band at that time, was arrested in New York city September 2, transferred to Philadelphia and sentenced there to six years' imprisonment. This appeared to break up the band. About a month later, however, James Farrell had a new gang at work. The agents of the association redoubled their efforts and were rewarded in the arrest at Chicago of Frank Charters, who has been sentenced to the penitentiary for an indeterminate period, and the capture at Brooklyn, N. Y., of George Moore, who has been sentenced to Sing Sing Prison for one year and five months. On January 11, 12 and 13, Charles Morris, James Farrell and Alfred Senior were arrested in New York city, completing the disruption of the band.

Following are a few brief statements of results:

1. So far as we know, there is not to-day a band of organized forgers at work in the country.

2. A dangerous organization of forgers has been disrupted by the arrest of five men, including their leader, James Farrell. Last season an organization begun under his management was broken up by the arrest of three men who acted as presenters.

3. In three instances the vaults were left unmolested by burglars who had gained access to the banking rooms of banks displaying the sign of membership in the association.

4. From September 15, 1901, to September 15, 1902, ten banks, members of the association, have been robbed by burglars of $23,539.50, while, during the same period, seventy-three banks, not members of the association, have been robbed of $129,438.77, as reported.

5. From May 1, 1895, to September 15, 1902, members of the association have lost by the operations of burglars and thieves, $89,511.50.

6. From May 1, 1895, to September 15, 1902, banks not members of the association have lost, as reported, $793,438.77 in the same way.

BURGLARS.

The tramp burglars, known in police parlance as "yeggmen," have proved most annoying, and the efforts to overtake them and put an end to their depredations have caused considerable expense. Roving men, without criminal record of importance, with no skill except in the use of high explosives, they study out small towns which have no police protection, and where the banks have unguarded safes. Several of the banks, now members of the association, which have been robbed, were selected for attack before they began to display the membership sign, and in two cases they were warned by the protective committee. During the period from September 15, 1901, to September 15, 1902, ten members have been robbed and fifteen have been fruitlessly attacked. The total loss of $23,539.50 indicates the low average loss to each bank. Although these numerous bungling attacks show lack of expertness, they evidence boldness and activity. In the ratio of successes to attacks, banks not members of the association have fared the worst. Of one hundred and fourteen total reported attacks on banks not members, seventy-three were successful, with an aggregate reported loss of $129,438.77, while forty-two failed. Each attack upon a member of the association has been thoroughly investigated, and while it has been impossible in some instances, as yet, to secure legally satisfactory proof, the agents of the association have been enabled to co-operate in securing the punishment of known offenders for operations elsewhere. In addition to the important arrests in the Winnemucca and Cobleskill matters, previously mentioned, four men under arrest are specifically charged with attempt at burglary on members of the association, thirteen believed to have been concerned in attacks upon members have been sentenced for other, and more readily provable, depredations, and one has been killed resisting capture. The results have not been as satisfactory as the committee, under its general policy of defense, hoped for, but it will be noted that the successful attacks upon members, resulting in any noteworthy loss of money, are not numerous. The committee feels that the same policy which has so effectually disrupted bands of trained criminals will succeed with these tramp burglars, although it may prove expensive.

FORGERS AND SWINDLERS.

From September 15, 1901, to September 15, 1902, cases have been reported to the protective committee involving operations on members of your association by one hundred and one forgers and swindlers, forty-nine of whom have been arrested. Twenty of these have been sentenced. There were convicted and sentenced, also, twelve forgers and swindlers who operated to defraud members previous to this season. In addition, an old offender was transferred from Ohio to New York.

Following is the detailed financial statement of the protective committee from September 1, 1901, to September 1, 1902:

Receipts.

Balance as per treasurer's report, September 1, 1901	$3,462.31
Appropriated by the executive council	30,000.00
	$33,462.31

Expenditures.

Paid Pinkerton expenses incurred prior to September 1, 1901	$626.81
Other expenses incurred prior to September 1, 1901	300.00
Paid Pinkerton expenses, September 1, 1901, to September 1, 1902	25,477.77
Salaries and expenses as per vouchers	4,902.00
Paid Stewart & Company, 1,000 aluminum signs	150.00
Paid F. Hanrahan & Company, 500 aluminum signs	65.00
Paid American Bank Note Company, 2,000 booklets	60.00
Paid Stumpf & Steurer, 1,000 printed pamphlets	81.38
Petty cash	85.00
Balance	1,764.35
	$33,462.31

The purpose and policy of the association in maintaining the protective feature is now generally well understood, but occasionally the protective committee receives an urgent call from some banker who feels aggrieved when he learns that we pay no attention to petty swindles, which are successful because of imperfect vigilance on the part of bank officers. We desire to repeat our statement of last year, that no protective system could be expanded so as to take in the class of cases with which every bank officer should be competent to deal.

The committee again acknowledges the valuable assistance rendered by individual members of the association.

Respectfully submitted,

PROTECTIVE COMMITTEE, AMERICAN BANKERS' ASSOCIATION.

THE PRESIDENT: Next in order is the report of the committee on uniform laws, which will be presented by its chairman, Mr. F. W. Tracy, of Springfield, Illinois.

REPORT OF COMMITTEE ON UNIFORM LAWS.

November 1, 1902.

Mr. President and Members of the American Bankers' Association—We are proud that we are able to report much progress this year, considering the opportunities, in our effort to have the Negotiable Instruments Law enacted by the different States so business can be conducted on uniform conditions all over the United States.

The past winter we appeared before six of the Legislatures of the States which held sessions and had not acted upon the bill, and we were successful in three of the most important of them; that is, Ohio, Iowa and New Jersey.

In Louisiana we were so nearly successful that we are encouraged to believe we will win next time.

The Territory of Arizona enacted the law too late for our report of last year. The bill is a law there, but unfortunately, in engrossing the bill for passage in one branch of the Legislature the chapter on promissory notes and checks was entirely omitted. It is promised, however, that this omission will be corrected at the next session of the Legislature so that it may be uniform with the other States.

In Iowa an amendment was made to the act, which we quote: "Section 198. Days of grace—demand made on. A demand made on any one of the three days following the day of maturity of the instrument, except on Sunday or a holiday, shall be as effectual as though made on the day on which demand may be made under the provisions of this act, as to notice of non-payment, non-acceptance, and as to protest, shall be applicable with reference to such demand, as though the demand were made in accordance with the terms of this act; but the provision of this section shall not be construed as authorizing demand on any day after third day from that on which the instrument falls due according to its face."

We cannot understand this section. We suppose its author intended to give the three days of grace which were abolished by section 145, but instead of doing this, it seems to us it only makes it uncertain on which of the four days the maturity of the instrument occurs. It certainly puts in the power of the holder of the instrument to declare the day of maturity by making a demand for its payment on any one of the three days after maturity. We do not believe this is good policy. We believe a day of certain maturity should be fixed by the law, which the old law did. We hope the Legislature of Iowa can see its way to do away with this amendment and thus have the State in line with other States.

The Negotiable Instruments Law has been much discussed in law journals and before the National and State bar associations, and it is almost universally approved. Mr. McKeehan has been criticising the debate on the law and the parties thereto very freely in several numbers of the "American Law Register," but withal, he concludes his discussions by saying the law is "all right." This is very high praise, as Mr. McKeehan is acknowledged on all sides as a very able critic in legal matters.

There is one section (137) upon which it is desired the banker should express an opinion. It provides as follows: "When a drawee to whom a bill is delivered for acceptance destroys the same, or refuses within twenty-four hours after such delivery, or within such other period as the holder may allow, to return the bill accepted or non-accepted to the holder, he will be deemed to have accepted the same."

Your committee are of the opinion that this section is a very appropriate one for the conditions named, and believe it should be retained, and we trust this association will be able to endorse this opinion. We have urged upon this association for the last five years the great importance of this code on negotiable instruments. We find in an address made before the Twelfth National Conference of State Board of Commissions for promoting uniformity of legislation in the United States, by M. D. Chalmers, parliamentary counsel to the treasury, England, in August last, some very good arguments in favor of codification of commercial law, a few extracts from which we venture to quote:

"Legislation, it must be borne in mind, is both speedier and cheaper than litigation. The English law of negotiable instruments took about 150 years to develop. Its main principles were worked out by about 2,000 decisions, and taking a moderate estimate, the taxed costs of this litigation must have cost the parties about two million dollars. Judge-made law has certain great merits, but cheapness is not one of them.

Codification of course does not mean the abolition of litigation. Until the millennium arrives, there will always be disputed facts which will give rise to legal contest. Lord Westbury is said to have advised an aspiring junior at the bar in the following terms: 'My young friend, in arguing your case, never make a mistake in your logic; the facts are always at your disposal.' The object of a code is limited to the prevention of mistakes in logic. It is no part of its purpose to curb the exuberant imaginations of the witnesses. Moreover, draft a code as carefully as you will, there are certain to be ambiguities and small discrepancies and obscurities in it, which can only be cleared away by judicial interpretation. No code can provide for every case that may arise or always use language which is absolutely accurate. If a code provides a clear rule for a great majority of the cases which crop up in ordinary business, it satisfies the needs of business men. Exceptional cases must shift for themselves.

Lawyers, perhaps, are inclined to attach too much weight to the occasional difficulties which arise in construing a codifying statute. The cases which come before lawyers are just the cases in which the code is defective. In so far as it works well, it does not come before them. Every man's view of the question is naturally colored by his own experience. In dealing with commercial matters, we, as lawyers, are apt to forget that we see mainly the pathology of business; its healthy physiological action is a matter outside our professional experience. A perfect code is, of course, an impossibility, but in codification, as in other practical matters of life—let well enough alone. If we seek after an impossible perfection, we lose our chance of a practical and positive good which is within our reach."

Among the lawyers in our Legislatures we have found too often the feeling that the passage of this law would interfere with the business of the lawyers. This eminent lawyer feels differently. He evidently believes that litigation will last as long as time lasts, and therefore this argument is not a good one.

We have to report an addition of four States to the number reported last year, making the number now twenty. We believe we are rapidly gaining ground, and it will be but a few years until we will have a negotiable instrument that can circulate all over the country from the Atlantic to the Pacific, and from the lakes to the Gulf. We beg of the members of the association in the States where the Legislatures meet this winter, that they will make a special effort to get into touch with the members of those bodies. Our experience has been that the average legislator is seeking for light, and will gladly avail himself of your knowledge if you will approach him in that spirit.

The following are the States which are operating under the Negotiable Instruments Law:

Connecticut, April 5, 1897; Colorado, July 15, 1897 (notes falling due Saturday are payable the same day, except those falling due in Denver on any Saturday during June, July and August, when they are payable the following day); Florida, August 3, 1897; New York, October 1, 1897; Massachusetts, January 1, 1898 (three days grace allowed sight drafts); Maryland, June 1, 1898; Virginia, July 1, 1898; North Carolina, March 8, 1898 (three days grace on notes, acceptances and sight drafts); District of Columbia, April 3, 1899; Wisconsin, May 15, 1899; Tennessee, May 12, 1899; Oregon, May 19, 1899; Washington, June 7, 1899; Utah, July 1, 1899; Rhode Island, July 1, 1899 (three days grace on sight drafts); North Dakota, July 1, 1899; Arizona, September 1, 1901 (except, by clerical error, chapter on promissory notes and checks

omitted); Iowa, July 1, 1902 (amended to give three days grace on each of which demand may be made): New Jersey, July 4, 1902; Ohio, June 1, 1903.

The following States hold sessions of their Legislature this winter in all of which an effort will be made to pass the bill by the American Bar Association, and the bankers are invited to give their assistance, fully and freely:

Alabama, Arkansas, California, Delaware, Idaho, Illinois, Indiana, Maine, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, South Carolina, South Dakota, Texas, Vermont, West Virginia, Wyoming, Kansas and New Hampshire.

The commissions appointed by the Governors in the different States will have charge of the bill. They are the following gentlemen:

Delaware—Geo. V. Massey, Dover.

Illinois—John C. Richberg, 604 Opera House Building, Chicago; Arthur A. Leeper, Virginia, Cass Co.; E. Burritt Smith, 415 First National Bank Building, Chicago.

Indiana—Robert S. Taylor, Fort Wayne; William A. Ketcham, Indianapolis; Oscar H. Montgomery, Seymour; Geo. L. Reinhard, Bloomington; Samuel O. Pickens, Indianapolis.

Maine—Charles F. Libby, Portland; Frank M. Higgins, Limerick; Hannibal E. Hamlin, Ellsworth.

Michigan—C. W. Casgrain, Detroit; Thomas J. O'Brien, Grand Rapids.

Minnesota—Charles E. Flandrau, St. Paul; W. S. Patte, Minneapolis: W. W. Billson, Duluth; C. E. Chapman, Fergus Falls.

Montana—J. B. Clayberg, Helena; T. C. Marshall, Missoula; J. W. Strevell, Miles City.

Nebraska—J. M. Woolworth, Omaha.

New Hampshire—Joseph W. Fellows, Manchester; H. E. Burnham, Manchester.

South Carolina—H. E. Young, 28 Broad Street, Charleston; W. R. Boyd, Darlington.

South Dakota—A. B. Kittridge, Sioux Falls; L. B. French, Yankton; J. W. Wright, Clark.

Wyoming—C. E. Blydenburgh, Rawlins; J. C. Hamm, Evanston; M. L. Blake, Sheridan.

FRANK W. TRACY,
G. P. GRIFFITH,
HOMER A. MILLER,
Committee on Uniform Laws.

On motion of I. E. Knisely, of Toledo, O., the report was received and placed on file and the committee requested to continue its good work.

THE PRESIDENT: The report of the committee on express company taxation will not be presented, as its chairman, Mr. F. W. Hayes, of Detroit, Mich., is absent by reason of death in his family.

The report of the committee on bureau of education will now be presented by its chairman, Mr. Robert J. Lowry, of Atlanta, Ga.

REPORT OF COMMITTEE ON EDUCATION.

NEW ORLEANS, November 10, 1902.

The American Bankers' Association—Our report a year since gave general particulars concerning the organization of the American Institute of Bank Clerks, and a contract that our committee had made with the Account, Audit and Assurance Company, of New York, for its management and operation. The contract referred to has been continued during the present year, and under the management of the company named the work has progressed and grown until there is at present for your consideration an educational organization of influence and importance.

The general work of the institute through the year, in which you are all interested, is somewhat carefully set forth in a report addressed to this committee by Mr. A. O. Kittredge, of the company above named, and who is acting in the capacity of secretary to the institute. We make Mr. Kittredge's report a part of this communication.

In the management of this organization up to the present time, your committee has guarded against creating any obligation which might in any manner forecast the policy of the American Bankers' Association in the matter of educational work. That the institute however, is a creature of the American Bankers' Association, goes without saying, and, as pointed out in Mr. Kittredge's report, the young men who are members of the chapters, or students in the correspondence school of banking, or subscribers to "The Bulletin," are being impressed with the fact that the privileges which they are enjoying are due to the bounty of the American Bankers' Association.

After settling in full with the Account, Audit and Assurance Company up to October 1, and paying all other expenses of your committee, there remains in the hands of the treasurer a balance of nearly $3,000 of the appropriations which have been made for the purpose of inaugurating and conducting the institute. Our prayer is that we may be continued in this

work, and that this body make an appropriation for another year to the extent of $10,000, including that which is left over from the old appropriations. We think the work upon which we are engaged warrants this further amount from this organization, and we believe that there will come back to this association manifold rewards for its generosity in this direction.

ROBERT J. LOWRY, *Chairman.*

AMERICAN INSTITUTE OF BANK CLERKS—RERPORT OF THE SECRETARY.

NEW YORK, October 20, 1902.

To the Committee on Education, American Bankers' Association:

Continuing the history of the American Institute of Bank Clerks from the point at which we broke off in our report a year since, your attention is first directed to the present official staff of the institute, which is as follows:

President, J. B. Finley, Pittsburg, Pa.
Vice-President, George F. Orde, Chicago, Ill.
Treasurer, John F. Thompson, New York, N. Y.
Secretary, A. O. Kittredge, New York, N. Y.
The board of trustees is composed as follows:
Robert J. Lowry, Atlanta, Ga.
James G. Cannon, New York, N. Y.
Harvey J. Hollister, Grand Rapids, Mich.
A. C. Anderson, St. Paul, Minn.
Harry L. Burrage, Boston, Mass.
Walker Hill, St. Louis, Mo.
J. B. Finley, Pittsburg, Pa.
George F. Orde, Chicago, Ill.
John F. Thompson, New York, N. Y.

The effort of the year has been along the lines laid down in the original scheme. Traveling has been freely done, with the result that a considerable number of chapters have been organized in the large cities of the country. The secretary personally co-operated in the formation of the chapters at San Francisco, Salt Lake City, Kansas City and other points.

When we last reported, we had a few students in the correspondence school of banking, enough only to demonstrate the acceptability of that scheme of instruction to the class to which it was addressed. At present we have upwards of 700 earnest students in the several set courses and more coming every day.

In our last report, made a year since, we referred in a general way to the organization of chapters. Now we are able to announce twenty-seven solid and substantial organizations of this character with a membership of upwards of 4,000.

The result of the year has been to perfect plans and carry them forward, to meet with a generous response from the people addressed, and to pile up results which are perhaps unequalled by those of any other educational effort ever brought to the attention of the public.

Twenty-seven chapters of the institute are in active operation. Several associations among bank clerks which have been formed outside of this institute are co-operating with us, and no doubt in a short time will become chapters. The total membership of the chapters taken at a date just prior to the summer vacation, was 4,156. It is probably larger at present.

The largest chapter in active work is located in Chicago and the second in rank is found in New York. New York has two large and active chapters, the combined membership of which is perhaps in excess of the one in Chicago. In both cities the work is being actively and energetically pushed with good results.

The cities in which chapters have been formed are as follows: Baltimore, Boston, Buffalo, Chicago, Cincinnati, Cleveland, Denver, Detroit, Grand Rapids, Hartford, Kansas City, Louisville, Milwaukee, Minneapolis, New York, Philadelphia, Pittsburg, Providence, Richmond, Springfield, Mass., St. Louis, St. Paul, Salt Lake City, San Francisco, Toledo and Washington.

In a dozen to twenty other places preliminary work has been done, the results of which are likely to be secured within a very short period.

The correspondence school of banking in which at present the institute has about 750 eager, earnest pupils, does for the country bank clerk what his city cousin gets out of the chapter. The two avenues of improvement and advancement which the institute opens to bank clerks are characterized by the way in which they are employed by the clerks. The young men in towns and villages and the smaller cities of the country take up with the correspondence courses of instruction, while their cousins in the larger cities meet together in chapter organization and give attention to essay reading, debates, investigations and more or less in the direction of study under the auspices of specially engaged teachers.

The correspondence school of banking offers sixteen different courses, ranging from such elementary matters as penmanship and spelling up to advanced courses like commercial law,

government and finance. The largest number of pupils in any one study is that of practical banking, following which in rank of patronage comes commercial law. Throwing these two out of the general list, the students are divided somewhat equitably among the remaining courses, penmanship having the largest number and government the smallest number.

Some things have followed the organization of the institute, and more particularly the organization of local chapters of the institute, which were not specifically covered in the original programme, but which bankers, nevertheless, are everywhere expressing the greatest satisfaction. The chapters are becoming training schools and intelligence offices, and are serving incidentally to emphasize the particular attainments and accomplishments of their members. Accordingly, we find that local bankers are carefully scanning the list of members of the chapter in their immediate vicinity when looking for men for positions of responsibility or promotion.

The number of promotions and advancements which have thus taken place in chapters since the work was commenced, number several hundred, and it in itself is something which should not be lost sight of in estimating the advantages which the institute is to the banking public.

In passing brief attention may be given to what some of the chapters are doing by way of work, thereby indicating the training to which the members are subjecting themselves. It has been constantly obtruded upon the attention of chapter members that a very large measure of the good that was to follow upon their being associated together in chapters is that which is retroactive in character or reflex in its action; that there is more advantage to the one who prepares an essay than there is to the association at large in the information conveyed by the essay. We think that this idea has been pretty generally worked into the members of the chapters and that a large number of them are proceeding in their work accordingly.

Referring now specifically to undertakings, one of the most important in character is that proposed by the Chicago Chapter. This chapter proposes to write a book displaying the resources and business methods of the United States, a book of facts and not of fancies, and one which will illustrate as far as possible the uses of currency. This book it is proposed to divide into twenty-five chapters, each chapter to be in charge of a special committee. The chairmen of the committees are all carefully picked men, each of whom has already displayed some ability to write, and so far as possible the chairmen are familiar with the subjects upon which they are to work. The whole winter is to be given to the work in order that it may be thorough, and no fixed date has been named for the publishing of the book.

The subjects in this book include agriculture, live stock, mining, lumber, manufacturing, fisheries, railroads, labor, exports and imports, banking and currency. It is proposed to have the book prefaced by an introduction written by a prominent bank man, and prior to publication to submit it for criticism and examination with reference to technical errors.

The St. Louis Chapter is making strenuous efforts in the accumulation of a library, and according to last accounts had raised nearly $1,000 for this purpose and had already invested a considerable portion of it in books bearing upon banking topics.

The Alexander Hamilton Chapter of New York among other attractive features for the winter will have a course of lectures on the Negotiable Instruments Law, by Thomas B. Paton, of New York. In this connection it may be mentioned that a course of lectures on the Negotiable Instruments Law is also one of the features of the winter's work of the Pittsburg Chapter.

A scheme proposed by one of the chapters and still under debate, but being delayed because of the very great magnitude of the undertaking, has been the organization of an ideal bank, with all its departments represented by chapter members, with its blanks and forms designed by chapter members and with the whole machinery operated by chapter members. Should such a thing as this be carried out, bankers would have the opportunity of knowing how their clerks regard some of the routine features of present bank manipulations.

The Philadelphia Chapter, among other things, is giving marked attention to that which has to be done in the organization of a National bank. A special committee is taking up the work of organizing a bank and is instructing the members in this work.

The Pittsburg and Cleveland chapters have arranged for joint debates on important topics. On one evening members of the Pittsburg organization visit Cleveland and on another the Cleveland boys visit Pittsburg.

And so on we may go until we have touched upon each of the several organizations, for there is not one at this time that is not doing something that deserves mention. All of the chapters are engaged in that which is calculated to train its members for better work along the lines of bank administration, broadening the views of the members and making them more capable of the discharge of their daily duties.

Incidentally, bankers are looking in upon the work which the boys are doing and not infrequently they are giving them words of encouragement and advice. In fact, we might add that in some instances the bankers become very enthusiastic over the work and it is

with reluctance that they are persuaded to give it over to the boys who are to be specially benefited by carrying out their schemes.

It should be remembered in discussing the advantages of the institute and the expediency of sustaining the work so auspiciously begun, that young men are being trained along the lines of membership in the American Bankers' Association. Up to date, the American Institute of Bank Clerks has been distinctively known as a creature of the American Bankers' Association, and whatever bank clerks have derived from it they have understood to come directly from this fountain source.

It is worth much to the American Bankers' Association as an organization that young men are being thus trained to think of it as their alma mater and that from which they derive substantial benefits. Every bank clerk who is taking a course in the correspondence school of banking, or who is a member of a local chapter, or who is a reader of "The Bulletin," is thus being trained for the high responsibilities of membership and representation in the American Bankers' Association.

Whatever may be said of the work to date, it is all initiative. There has been required time to get started. Those who are in the institute to-day, either as chapter members or as students in the correspondence school of banking, or merely as subscribers to "The Bulletin," are just beginning to make known to their friends their satisfaction with what is before them.

Shall this effort be continued? It seems to us that there is only one possible answer to the question. It has done well to date; it promises better for the future; it is worthy of every encouragement.

The American Bankers' Association has made two appropriations to your committee for the organization and support of the American Institute of Bank Clerks, amounting in the aggregate to $20,000. From these appropriations have been paid accumulated expenses belonging to this committee prior to the initiation of the institute movement as well as current expenses. With the total expenditures deducted, there remains on hand a balance of not quite $3,000, making the net cost to the association of what has been accomplished in this line to date in the neighborhood of $17,000. It has to show for its work the establishment of twenty-seven chapters with over 4,000 members, a correspondence school with over 700 active pupils, and a periodical which has a paid circulation of over 5,000 subscribers.

All of which is respectfully submitted.

A. O. KITTREDGE, *Secretary*.

On motion of M. W. Tripp, of Marathon, N. Y., the report was received and placed on file.

J. P. HUSTON: Mr. President, I suggest that the programme be amended so that we may hear from Mr. Ridgely now.

THE PRESIDENT: If there is no objection, the chair will ask Mr. Ridgely to address us at this time. Gentlemen, I have the honor to present Mr. William B. Ridgely, Comptroller of the Currency.

THE CHANGES IN BANKING CONDITIONS.—ADDRESS BY HON. WILLIAM BARRETT RIDGELY, COMPTROLLER OF THE CURRENCY.

I have recently seen a statement that the profits of the operation of one of the great railway trunk lines are being reduced by too great a density of traffic and too large a volume of business. Heretofore it had been found that as the volume and density of traffic increased, the cost of operation, and particularly the cost of conducting transportation, was a much smaller proportion of the gross earnings, and, in consequence, the net earnings increased more rapidly than the gross. Now, however, it is found that there is a limit to this with a given plant of tracks, terminals and motive power, and that when the volume and density of traffic passes a certain point, the slightest delay or derangement of train movement spreads so rapidly and so far that it more than proportionately increases the cost of operation and the resulting net earnings are less than with a smaller gross amount.

The general business in the United States, and more particularly the financial and banking operations, are in much this same condition to-day, and there is danger in our situation from an excess of business and a lack of machinery and facilities for conducting it. It is becoming more and more apparent that there must be some curtailment of operations or increase in facilities either by the addition of new means or more efficient use of the old ones if we would avoid serious trouble if not disaster. For several years there has been a steady and enormous increase in the volume of all kinds of business, which has necessarily produced a very large expansion. The clearing-house transactions have increased from fifty-four billion dollars in 1897 to one hundred and fourteen billions in 1901, an increase of sixty billions. That is, they have more than doubled in amount.

By consolidating the reports made to the Comptroller of the Currency by all the National banks and all other banks who make any reports, I get the following data regarding the changes in condition of practically all the banks in the United States:

From 1892 to 1902, individual deposits have increased from 4,665 million dollars to 9,082 millions, or have almost doubled in amount.

The loans have increased from 4,337 millions to 7,169 million dollars, or more than sixty-five per cent.

The item of due from other banks increased from 684 million to 1,552 million dollars, a total of 868 million, or 127 per cent.

From 1892 to 1902, the cash on hand in all the banks has increased 253 million dollars, or forty-three per cent.

The proportion of individual deposits on hand in cash in all the banks, National and all other, was twelve and one-half per cent. in 1892, twelve and two-tenths per cent. in 1897, but it has fallen to nine and two-tenths per cent. in 1902.

In the same way the legal reserves of the National banks have gradually declined. The percentage of cash on hand and with approved reserve agents of all National banks in the United States has been at the following dates:

	Per cent.		*Per cent.*
December 17, 1896	32.42	September 6, 1900	29.67
October 5, 1897	31.70	September 30, 1901	27.65
September 30, 1898	30.27	September 15, 1902	25.74
September 7, 1899	29.38		

The percentage of legal reserve to deposits in the reserve cities required to hold twenty-five per cent. has fallen from 32.08 per cent. in 1896 to 24.21 per cent. in 1902, and at the last call for report of condition not one of the central reserve cities, and only seven out of the thirty reserve cities, held the full legal reserve. The legal reserve held by the banks required to hold fifteen per cent. has fallen from 22.65 per cent. in 1896 to 16.91 per cent. September 15, 1902. These changes are due to the greater volume of business that is being handled. The money in circulation has increased, and although the amount held by the banks has increased as stated 253 millions of dollars since 1892, there is not enough to handle the additional business. Not only is there more of every kind of material to handle, but prices are higher, requiring much larger sums of money. Transactions which ordinarily could be conducted with comparative ease are now matters of much anxiety. The operations of the Treasury Department in collecting money for taxes and the disposition of the funds of the Government; the money required for moving the crops or any large payments of money for interest, dividends, or syndicate payments of unusual size, produce much more disturbance than they did before the present condition was reached.

We now find ourselves in the condition of the railroad embarrassed by the volume of traffic. With all the machinery of exchange strained to the utmost to keep up the present rate, and with every channel swollen to the full with the rushing tide, the slightest disarrangement spreads at once, and is very far-reaching in its effect. We must either reduce the volume of the traffic or add to our facilities for handling it. In the present condition there is not a sufficient factor of safety and there is danger of the strain exceeding the limit of elasticity, if it does not reach the point of ultimate rupture.

A SOUND BASIS FOR OUR PROSPERITY.

It must be conceded that the improvement in business and general revival of prosperity has been based on the soundest fundamental conditions. The agricultural, industrial and commercial conditions have justified and produced it all. Our crops have been abundant and have found ready sale at home and abroad at good prices. Our mines have produced enormously; our industrial establishments have been steadily employed producing goods of every kind, and there has been an active profitable trade in all classes of merchandise. There is no section of the country nor branch of trade which has not participated in the benefits of this revival.

In the last ten years the value of farm lands in the United States has increased 3,395 millions of dollars; the implements and machinery on the farms, 267 millions; the live stock, 769 millions, and the value of one year's farm products has increased 2,279 millions. The total value of the farm products for the year 1900 reached the enormous sum of 4,739 million dollars, and for the year 1902 it will considerably exceed this.

From 1890 to 1900 the number of manufacturing establishments in the United States has increased by 157,000; the number of employees by 10½ millions. The total wages paid in 1900 was 2,330 millions of dollars and the value of the manufactured products was over thirteen billions of dollars. A comparison of the figures giving the banking totals with those giving actual increases in quantities and values of those things which are the basis of all wealth and

credits, justifies the statement that, based on fundamental conditions, the expansion which has taken place is legitimate growth. It is expansion, not inflation.

The increase in the total loans of all the banks for the year is only about eighty per cent. of the increase in value of the farming lands and just about equal to the increase of this year's crops over those of ten years ago. It is only about seventy-four per cent. of the incease in the value of one year's production of manufactured articles, and less than fifty per cent. of the increase in value of both farm and manufactured products.

The total amount of loans, 7,169 millions of dollars, is only about sixty per cent. of the value of one year's manufactures and only forty per cent. of the value of the combined farm and manufactured products for a single year. These loans are forty-three per cent. of the value of the farm lands of the United States, and seventy-two per cent. of the capital invested in manufactures.

It is true these items may not bear any direct and immediate relation to each other, but the sums are so enormous that even with our recent liberal education in hearing and reading of millions and billions of dollars, it is hard to form any idea of 7,169 millions. I have, therefore, made these comparison with the values of the things which are or represent wealth, so that one can form some opinion or judgment as to whether our loans are unduly inflated or whether they seem justified by existing conditions. To me they seem to be no more than should be made on the values which exist for their basis and that we are therefore not on an inflated basis of loans. In confirmation of this mathematical consideration we have had in the events of the last two years more than one practical demonstration of the strength of our industrial and commercial situation. The stock panic of May 9, 1901, would have produced a crisis and depression which might have lasted for years if we had not been in a condition of very great industrial strength, This was followed in a few months by the assassination of the great President who had so justly been considered such a factor in the revival of business, that for a few hours it looked as if it might be all undone in a day by his tragic and fearful death; but such was the strength of our condition that outside of the speculative markets there was not the slghtest halt in the onward march. Again in a few weeks came the collapse of the copper stocks and a speculative syndicate handling a group of highly inflated stocks at a time when there was a great deal of apprehension due to a very short crop of corn. Such, however, was the inherent strength of the fundamental conditions that these events which might, under different circumstances, have produced panic and widespread disaster, had very little effect outside of purely speculative business, and the organization and promotion of new enterprises. As far as these have been checked and made to proceed with caution, the result has probably been far from an unmixed evil. There has been no fall ing off in railroad earnings; on the contrary, they continue to increase. The consumption of iron and steel proceeds at a rate never equaled before, and manufacturing concerns of all kinds are actively and profitably employed. Business failures are few in number and small in size. There have been but two failures of National banks since August 3, 1901, and these were of very small banks which had been ruined, if not looted, by their officers. Our farmers are now gathering and beginning to sell the largest and most valuable crop they have ever produced. They are well supplied with money as a result of good crops and high prices for the past few years. Wholesale and retail business is good in all parts of the country, and the universal report is that collections were never easier to make.

In spite of all this, the banking and financial situation is looked upon with considerable apprehension. We cannot disguise the fact that with reserves running down, not only in the reserve cities, but in all the banks of the country, the situation is serious and requires close attention and careful handling. Now is the time for caution and care in bank management. It is in times such as we have been having for several years that banks get into trouble. What becomes later a bad line of credits is apt to be made in prosperous years, not when times are dull and business bad.

CHANGES IN BANKING CONDITIONS.

There have been some changes in banking conditions which greatly affect the present situation. You are familiar with the movement of the last few years resulting in the consolidation of great numbers of industrial corporations into the vast combinations which we have come to call "trusts." All over the country, concern after concern, hundreds, and perhaps thousands of them, have been combined in this way. They have been capitalized for very large sums, the total running into billions of dollars. A large part of these securities, more, I think than has generally been supposed, have been retained by the various vendors of the constituent companies, but many hundred millions have been sold in the New York market and are still held there, some of them carried by the banks as collaterals for loans; others paid for and put away. New York has not only had to furnish the money to buy out a large part of all the industries of the country, but it is called on now to furnish the money they have to borrow. The financing of the companies is mainly done in New York or the

other large cities. Instead of a vast number of concerns getting the money they require by discounting customers' paper or giving their own notes to their local banks, we find the "trusts" mainly keep the small amount of customers' paper they receive and borrow their money from the large banks. The largest and strongest do this on their own single-name paper; some of them borrow upon collateral, and others make so-called commercial paper or notes to be sold by note brokers to banks all over the country. In many lines the credits formerly given have been shortened in time. Instead of the terms of sale of many articles being, as formerly, sixty days, ninety days, or four months' paper, they have been reduced to thirty days or less on open account, settled in cash instead of by paper. The result of these movements has been to send a large amount of money out of the cities for the purchase of the plants and to deprive the country banks, into which much of this money went, of their best borrowing customers. The prosperous local manufacturer who brings in good commercial paper received from customers for actual transactions and who, at certain seasons, borrows moderate sums for the purchase of material, or carrying goods, is a valuable customer for a country bank. It varies his business from the local merchant, farmer and stock feeder to have such accounts. But the number of such customers is greatly reduced and the banker, with large deposits and perhaps local competition which makes him pay interest on many deposits, has less demand for his money. I meet many bankers in this condition, especially in the richer sections of the Middle West. They have had to reach out in new directions to employ their money. It has led to a great increase in the purchase of so-called commercial paper from brokers—that is paper made to be sold by brokers. Much of it is first-class, and there has so far been surprisingly little trouble with it, to my knowledge, but it is always difficult to keep thoroughly posted in regard to the maker of it. Many concerns are borrowing in this way more money than they could in any other way. It is a very attractive idea for a bank to have a certain amount of this kind of paper, given by people the bank is under no obligation to carry, and which they can collect without renewal when due. It would be easy for one or quite a number of banks to collect this money, but if trouble should come and many banks try it at one time, there might be much more difficulty about it.

COLLATERAL LOANS ON CALL.

Another direction towards which the country banks have turned is the loaning of money on call against collaterals through their correspondents. By country banks are meant not only those in small country communities, but all the banks outside of the central reserve and a few of the largest reserve cities. Many banks which have not heretofore loaned money in this way have been doing so lately, and the amount of these loans now probably exceeds one hundred million dollars. About thirty per cent. of the loans in the New York city banks are brokers' or Wall street loans on stock collateral. Including the Jersey City and Brooklyn loans, there are now about 225 million dollars of these brokers' loans. There is some difference of opinion as to the amount of such loans by the trust companies, but the best estimates place them at not over 150 to 175 millions. So the total brokers' loans amount to about 500 million dollars, of which the outside banks furnish about one-fifth. These figures and proportions are important and significant in any consideration of the financial situation. There has been much discussion lately as to the amount of money borrowed abroad, which has been estimated as high as 500 million dollars. It is difficult to get any definite basis upon which to estimate this, but it would seem impossible that it can nearly equal the total amount loaned by our banks, and it looks as if the more conservative estimate of 150 to 200 millions, made by some of the best-informed New York bankers, is more likely to be the outside figure, and I think it is less rather than more than this. This will bring the total up to not over 700 millions, or, say, one-tenth of the total loans of all the banks in the United States. This is a vast sum of money, but not in any very undue proportion to the total loans of all the banks of the country. The collaterals are mainly the best railroad stocks and bonds with only a small proportion of industrials, and these are almost entirely of the better class, which by their records are establishing their standing.

There should be considered with the collateral loans a considerable amount held by the banks as stocks and bonds and other securities. This amounts to more than 100 million dollars in the New York banks, but it is mainly composed of high-grade bonds held for investment, and they are not very speculative in character. In case of a great liquidation, some of these might have to be sold, but they would be held through anything short of almost universal liquidation. It is not true, as we often hear said, that "the banks are loaded to the guards with cats and dogs." Whatever may be true in regard to the amounts still held by underwriters and promoters, there is no such very great amount of them in the banks. The banks have been scrutinizing collaterals very closely for some time and throwing out more and more of the stocks which are not based on values which justify their prices. The stocks of this whole class are gradually reaching their proper levels. However they may be from time to time manipulated, values will in the end rule and determine their proper place and standing.

Unless something happens requiring this to be done suddenly, it can probably be accomplished without any widespread trouble. In discussing collateral loans, due regard should be given to the improvement in railroad securities. The railroad business of the country is on an entirely new basis from that of twenty or even ten years ago, and railroad stocks and bonds are a much more reliable and safe basis for bank loans than they ever have been before.

THE GREAT INCREASE IN VALUES.

There has been a tremendous speculation in stocks of all kinds, and values now are on a very high level. The schemes of promotion and combination have been on such an enormous scale as to be startling and bewildering. This is all so spectacular and sensational that it attracts great attention in the newspapers and the public mind is filled with stories of great stock deals and enormous sums made by speculators. We should remember, however, that all this is not the cause of our great prosperity nor its chief result, but merely an unavoidable, if not necessary, feature of it. It is not speculation which has advanced prices so much as it is advanced prices which have caused speculation. Railroad stocks have gone up because we have four billion dollars' worth of farm products and thirteen billion dollars' worth of manufactured goods to move. In consequence, railroad earnings were more than fifty per cent. higher in 1901 than in 1896, and the traffic of the railroads to-day is only limited by the capacity of the cars and motive power. A billion-dollar steel combination was only possible because we were producing twenty-eight million tons of iron ore, fifteen million tons of pig iron, thirteen million tons of steel ingots, and twelve million tons of finished steel a year, and were finding a ready market for it all.

We saw after the 9th day of May panic that there might be a great speculative collapse without its so affecting our industrial and commercial conditions as to produce any lasting depression, but we can barely expect to withstand repeated shocks of this kind, and it is, therefore, now especially important for us to strengthen our financial and banking situation and act with great prudence and caution.

There has been another change in banking conditions of very great importance in the increase of wealth and bank deposits and also the cash in banks in the farming States; that is, the Middle Western, the Southern, the Western and the Pacific States, as they are generally divided in the Treasury Department tables and reports. I have prepared a table from the reports to the Comptroller of the Currency showing the chief items of the consolidated statement of all the banks in these States, and also a table showing the increases in values of farm lands and farm products since 1890.

From these it will be seen what a great increase there has been in ten years in deposits and cash on hand and due from banks. The deposits in the entire territory have more than doubled, and this is true of all the separate divisions but the Pacific States, where they have only a little less than doubled.

The cash on hand and due from banks has more than doubled in each division and in the Pacific States it is almost three times as great.

The loans increased about forty-seven per cent. in the ten years, but about seventy-four per cent. in the last five years.

The figures for ten years are all the more significant because the increase has all been in the last five of the ten years. From 1892 to 1897 these items all practically showed a decrease.

A REAL AND SOLID BASIS FOR BANKING EXPANSION.

During the same period the census reports show what is the real basis of this improvement. The farm lands in these States have increased in value 3,459 million dollars; farm implements and machinery 230 million dollars; the live stock 769 millions, and the value of one year's crops over two billion dollars. In the same period in these States the value of manufactured articles produced per annum increased 1,950 millions, and the annual wages increased 232 millions. Here lies the true strength of our situation. It is in the productive resources of this great district, which are unequaled in any part of the world. There is no other country which equals it in natural advantages, and none which has such an organization for production and transportation prepared to utilize to their fullest extent the great fertility of its soil, and the wealth of its resources of every kind. We have hardly begun to develop this country. In the South, the Southwest and the West are immense possibilities as yet untouched. You of the South have before you wonderful opportunities. With your oil, timber, coal and iron added to the richness of your lands, you should record in the next ten years as great a progress and growth in wealth as the country has ever seen. I know of no greater opening anywhere than the South presents to-day for men of capital, industry and ability. You are attracting them from every direction, and what is better, you are developing them at home.

Nothing can prevent the development and growth of this country. We have all the elements which are necessary and a great lead over all our competitors. Our destiny was fixed

when all these unequalled natural advantages were placed side by side, and it only awaited for its fulfillment the coming of our masterful race of men who, for centuries, have been bred and trained for such a career as is before us. The final result is absolutely certain, but it may from time to time be impeded and checked as it has been by bad finance and by trying to do too much in too short a time. It seems to be inevitable that we should have periods of rest and recuperation. They are apt to be most severe when we have been going too fast. The pace we have traveled for the past five or six years has been a rapid one. The signs are not lacking that it should be moderated before we are too far spent. There is yet time, and with prudence and care we should be able to avoid any lasting ill effects. I do not believe that the strain is more than we can safely stand up to this point, but it is time to pause and consider. We have prices for materials of all kinds up so high that the cost of living has greatly increased. We have been consuming our available liquid capital at a very great rate and changing it to fixed capital, where it may be unproductive for a long time. Cost of production has so increased that our balance of foreign trade is falling off at the rate of hundreds of millions per year. Our bank reserves are low and the loans as highly expanded as is prudent. The situation has lately been so acute as to render assistance from the Treasury Department necessary to give some relief.

Ordinarily, the operations of our Government finances add to our difficulties rather than help the situation, and the best that the Secretary of the Treasury can do when called on to help the situation is merely to undo some of the harm which has been done by the operation of our laws for the collection of the revenue and the hoarding of money in our Treasury. The Federal Government, under existing laws, continues to collect a large surplus revenue and lock a large part of the money collected up in its vaults, where it is no longer available for business. In 1892 there was in the Treasury as assets 151 millions of dollars. By 1897 this had grown to 266 millions, and on September 1, 1902, the Treasury had in its vaults as assets 314 million dollars, or one-eighth of all the money in the United States. It is anything but a help to business to take money from the people by taxation, simply to lock it up in this way. It is almost equally harmful to take money which is needed for business enterprises of all kinds and for which the people would gladly pay five or six per cent, and buy bonds with it on a basis which nets under one and three-quarters per cent, and yet this is the way the Secretary of the Treasury can best undo the harm caused by the laws now existing. Something should be done to more nearly equalize Government receipts and expenditures. We should years ago have changed our obsolete system so that the funds of the Government can stay in the channels of trade and not be locked up in vaults by the hundreds of millions.

PROVISIONS FOR A CREDIT CURRENCY.

It is unfortunate that the weakest point of our banking system is in its provisions for dealing with such a situation as seems before us to-day. Nothing could better illustrate the necessity for a more elastic banking currency than the demand for it at the present time. Our banks have been and are being called upon to furnish the currency and credits necessary to move enormous crops, probably the largest volume and value the country has ever produced. We have raised over three billion bushels of grain worth at least 1,800 million dollars, and ten million bales of cotton, worth 300 million dollars. With the other varied products raised the total value will probably be about 5,000 million dollars. This call for currency comes at a time when all business is being done on an enormous scale. Of course this crop does not move at once and some of it is used where it is raised, but enough of it to require a very large amount of money must be financed in some way within a few weeks. Much of it is done on bank credits not requiring actual currency, but the currency required is enough in volume to be a large and difficult matter to handle each year. This year it has been more so than usual, and has been a cause of considerable anxiety. In the farming States where this harvest is being gathered, there are 9,295 banks, with 602 millions of capital and seventy millions of surplus. The people who want this money advanced against these valuable and readily salable products own lands valued at 13,674 million dollars; have farm implements and machinery worth 761 millions; livestock worth 3,078 millions, and raise over 4,000 million dollars' worth of produce each year. It would not be any undue expansion or inflation if these banks had the privilege of issuing, in addition to their notes covered by bonds, an amount of uncovered notes equal to, say, fifty per cent. of their covered issues. Call it credit currency, asset currency or emergency currency, or what you will. A small tax will provide a guarantee fund which will absolutely protect the note holder and the public. A graduated tax and ample provision for redemption will insure the retirement of these notes as soon as the necessity for them ceases. Such notes have been found safe and satisfactory in other countries. They will be more so here where we have abundant basis for the credits and a great need for such an improvement in a banking system which in all respects but the lack of elasticity of its currency, is most excellent. There has been no system of banks in this country as good as our National system, and no system in any country will be any better if we make this im-

provement, which is almost all it needs. Our people believe in the National banks, and well they may. Nothing could be better than the quality of their notes, which have never resulted in the loss of a dollar to a note holder. The total loss to depositors since the beginning of the system is about thirty-four million dollars. This is only about 8-100 of one per cent. of the average amount on deposit, and the smallest fraction of the total amount of deposits handled. With an elastic currency we need ask for little more improvement in our National banks- They would be the best banks in the world.

DIFFICULTIES IN INTRODUCING THE BRANCH BANK SYSTEM.

I believe in branch banking. Theoretically it is the best system, as it is more economical, more efficient, will serve its customers better and the organization can be such as to secure in most respects better management. Owing to co-operation between its branches, it can be made safer than any system of independent banks. If I were outlining a new system for a country in which there was none, I would adopt this system; and I regret that it was not adopted or permitted in the beginning of the National banking system. I believe the National banks would be stronger and better to-day if branches had been permitted and the system had been developed with the branch feature an essential part of it. If this had been done the currency would doubtless have been made more elastic before now. If it had not, it would be easier now to do so with a system of large banks with numerous branches. Our system, however, was started on the other plan. All its growth has been in the other direction. Our people know the independent home bank and banker. It is too radical a change for the bank, the banker and the customer, to introduce at this late day. I do not think it would be wise to make such a change now if it could be done. I most emphatically believe it will not and cannot be done. The majority of bankers, the majority of the people, are against it, and they will see that the majority of Congress are against it.

The American Bankers' Association and the various State associations are doing a great work in discussing these questions. They are educating the people and educating themselves. Nothing but good can come from this discussion, which I hope will continue. When we strive for practical results, however, we should be careful not to undertake too much. We cannot do everything at once.

With united and harmonious action, however, I believe it is possible to secure such legislation as will correct the evils of our sub-Treasury system and add such elasticity to our National bank currency that it will respond to the wants of business rather than the price of bonds. With this accomplished, a long stride will have been taken to improve our financial and banking systems and remove the reproach, which has had too much justification, that they were not keeping pace with the improvements in organizations and methods which have taken place in our agricultural, manufacturing, mining, railroad and commercial business in the closing years of the last century. In all these lines the United States begins the new century ahead of all the world. Our banking and financial systems must be so improved that they will do their full share in the work which is before us in the development of the resources of this grand country which has been given into our care.

Summary of the principal items of Resources and Liabilities of National Banks and all other Banking Institutions located in the Southern, Middle Western, Western and Pacific States, reporting to the Comptroller of the Currency in 1892, 1897 and 1902, in Millions of Dollars.

	Loans.	Cash on hand.	Due from other banks.	Capital.	Individual deposits.
SOUTHERN STATES.					
1892	307	44	50	136	233
1897	274	40	53	114	232
1902	504	54	126	137	481
MIDDLE WESTERN STATES.					
1892	980	145	197	288	924
1897	844	159	241	276	881
1902	1,743	231	475	339	1,930
WESTERN STATES.					
1892	182	24	44	79	155
1897	121	23	54	55	133
1092	263	33	105	60	316
PACIFIC STATES.					
1892	271	27	25	87	240
1897	215	29	34	67	237
1902	317	52	96	66	464

Value of Land, etc., in the Farming States, in Millions of Dollars.

	Land, improvements and buildings.	Implements and machinery.	Live stock.	Farm products for one year.
SOUTHERN STATES.				
1900	2,887	158	689	1,226
1890	2,345	85	521	739
Increase	542	73	168	187
MIDDLE WESTERN STATES.				
1900	7,923	283	1,133	1,857
1890	5,924	201	926	907
Increase	1,999	82	207	950
WESTERN STATES.				
1900	2,027	102	713	659
1890	1,286	55	385	229
Increase	741	47	328	430
PACIFIC STATES.				
1900	1,138	53	136	274
1890	961	25	128	132
Increase	177	28	58	142
TOTALS FOR FOUR DIVISIONS NAMED ABOVE.				
Total 1900	13,975	596	2,731	4,016
Total 1890	10,516	366	1,970	2,007
Increase	3,459	230	761	2,009
TOTALS FOR THE UNITED STATES.				
Total 1900	16,674	761	3,078	4,739
Total 1890	13,279	494	2,309	2,460
Increase	3,395	267	769	2,279

TOTALS FOR DIVISIONS NAMED ABOVE.

	Loans.	Cash.	Due from other banks.	Capital.	Individual deposits.
1892	1,740	240	316	590	1,552
1897	1,454	251	382	512	1,483
1902	2,827	370	802	602	3,191
Inc. 1902 over 1892	1,087	130	486	12	1,639
TOTALS FOR THE UNITED STATES.					
1892	4,337	586	684	1,071	4,665
1897	4,216	628	781	1,012	5,094
1902	7,169	839	1,552	1,198	9,082
Inc. 1902 over 1892	2,832	253	868	127	4,417

On motion of J. J. Sullivan, of Cleveland, Ohio, the thanks of the convention were extended to Mr. Ridgley for his able and interesting address.

THE PRESIDENT: The Chair would next introduce Mr. John Johnston, of Milwaukee, Wis., who will address us on "The Scottish Banking System."

THE SCOTTISH BANKING SYSTEM—ADDRESS OF JOHN JOHNSTON, VICE-PRESIDENT MARINE NATIONAL BANK, MILWAUKEE, WIS.

Gentlemen—When I received a telegram a short time ago from our worthy secretary, asking me for a talk of a few minutes on Scottish banking before this convention, I consented without any hesitation, because I knew that he did not want a profound paper, an elaborate essay, or a string of statistics, but rather an informal address.

I have often wondered that Scotland had any banks at all. It is only about half the size of the State of Michigan—a few square miles of rocks and glens, of straths and bens, lying under the North Star, between the shores of Labrador and Norway. It is much farther North than Winnipeg, and not one-quarter of its land is fit for cultivation. In these days we are

inclined to put great stress on size. We boast of great banks, great insurance companies, great cities, and great States; we love to speak of millions, too often oblivious of the fact that mere size has little to do with real greatness, and that Palestine, Greece, Switzerland, Holland, Norway and Scotland have filled a more important place in history and done more for the advancement of mankind than many of the mightiest empires of earth.

In 1694 William Paterson, a Scotchman, founded the Bank of England, and next year John Holland, a merchant of London, organized the Bank of Scotland. It was the first private joint stock bank formed by private persons to do a banking business, having no connection whatever with any government, local or national. I need not give the rise of the Scottish banks, that can be found in any encyclopedia, but there are some prominent facts which it may not be amiss to state.

Before, during, and after the Napoleonic wars, the banks in England fell by the hundred. The failure of country banks on three different occasions—in 1792, in 1814-1815 and 1816, and again in 1825 and 1826—produced an extent of bankruptcy and misery which has never been equaled except after the Mississippi scheme in France. From 1809 to 1830 no fewer than three hundred and eleven banks failed in England, while during that whole period not a single Scottish bank gave way.

From 1765 to 1845 the issue of bank notes in Scotland was absolutely free, but since 1845 it has been limited to the average they had in circulation during the year ending May 1, 1845, and for any excess over that they must hold an equal amount of gold and silver in their vaults at the head office. While in England £5 is the smallest bank note permitted, the Scottish banks are allowed to issue notes of £1. Notwithstanding the fact that there was no limit to the issue of bank notes for so many years and notes of so small an amount were permitted, Scottish currency for 130 years has never, for one moment, varied from par, neither has a penny been lost by a single depositor during all those years. I need not remind you that the currency of Scotland is an asset currency.

The failure of the City of Glasgow Bank was terribly disastrous to the stockholders, as their liability was unlimited, but not a depositor or bill holder lost a penny. At the time of the failure of that bank there were in the three kingdoms eighty-two banks whose stockholders were liable without limit, and those who were responsible began transferring their stock to the names of those who had nothing to lose, and there would soon have been no wealth at all behind the stock of those eighty-two banks. A bill, called the "Reserve Liability" act, was rushed through Parliament, of which seventy-five of the eighty-two banks at once took advantage, at the same time increasing their capital stock from eighty million of pounds to one hundred and sixty-six millions, and thereby securing their creditors much more fully than if the unlimited liability feature had continued with irresponsible shareholders.

SCOTS NOT SO CANNY AS SUPPOSED.

The question naturally occurs, Why did the Scottish banks stand firm through all those years which proved so disastrous to the English banks? The popular reason is found in the supposed closeness and caution of the average Scot. I remember when long-range rifle shooting first began, the Scottish team always won the international trophy, which "Punch" said arose from the ability of the Scot to make a small piece of metal go a great way! We have all heard of the native of the "land of the heather" who visited London and wrote home that it was a grand city, but a terrible place in which to spend money, for he had not been there an hour before "Bang went a saxpence." I believe, however that the high encomiums passed upon the Scot for his virtue of caution are wholly undeserved.

His history shows that he cares little for money when it is placed in the scales against things higher, such as education and civil and religious freedom. For three hundred years he carried on a continuous contest with his many times larger and more powerful neighbor on the south, till finally the Scottish King took his place upon the English throne. Time and again, however, he saw his fields wasted from the Tweed to the Moray Frith, his churches and abbeys destroyed, his castles filled with hostile soldiers, and even his towns, and villages burned, yet he valued his freedom more than money. His caution never led him to compromise. He has many times seemed even reckless. It is only a century and a half since five thousand Highlanders were bold enough to invade England, and got as far as Derby in their march to capture London. There is no more adventurous freebooter mentioned in the annals of this country than Captain Kidd, while for deeds of daring on the high seas during the War of Independence Paul Jones stands first. Even in the business world he has shown a lack of common caution. Witness the Darien expedition, one of the most visionary undertakings in all history. The whole nation became excited over it, and crazy instead of cautious would have been a more appropriate epithet to apply to the people, and it is remarkable that William Paterson, who started the Bank of England, was responsible for the African Company and the Darien expedition, and we all know what his countryman and contemporary, John Law, was doing in France about the same time.

There can be no question, however, as to the fact that the Scottish banks maintained a stability unknown in England. A committee of the House of Lords, appointed in 1826, reported that "It was proved by the evidence and by the documents that the banks of Scotland, whether chartered or joint-stock companies, or private establishments, had for more than a century exhibited a stability which the committee believed to be unexampled in the history of banking."

No doubt several circumstances contributed to this. Among them I would mention the fact that the number of stockholders is very large. In some of the banks they are counted by the thousands; one of the smallest I know has 3,000 stockholders. The banks rest upon the people and the people are loyal to the banks. In Scotland the feeling is universal that the interests of the banks and of the people at large are identical. There is no such sentiment as is to be found in some places that whatever favors the banks must be antagonistic to the community at large. Then, in Scotland, land, as well as personal property, can be attached for debt, and as all land is registered it is easy for the creditors of the bank to ascertain from the records what landed property is possessed by the shareholders of the bank, which, I understand, is not the case in England. This tends to create confidence in the minds of the depositors and bill holders.

Another fact appears from the public reports, viz., that the Scottish banks never jeopardized their safety by a too eager desire for great profits, but adopted the practice of retaining a large portion of their capital and deposits in government securities, which are at all times convertible into money.

STRIKING FEATURES OF THE SCOTCH BANKING SYSTEM.

At the present time there are ten banks in Scotland with a capital and reserve fund of $80,000,000, and with 1,082 branches. When we consider that Scotland is only about half the size of Michigan, we can appreciate what immense banking facilities the Scottish people enjoy.

To an American the two most striking features of the banks of Scotland are their numerous branches and their system of cash credits or cash accounts. To one who has lived in Scotland, the lack of banking facilities in this country is very marked. This may seem strange, but I know of a great many villages in Wisconsin wholly destitute of banking privileges, while villages of equal size in Scotland would have one, and perhaps two branch banks. In Milwaukee county alone I could name three or four small towns where there would be branch banks if they were in Scotland. The population of Scotland and Ohio are about the same; few people will say that Scotland is richer than Ohio, yet the deposits in the banks of Scotland are much larger than those of Ohio. In Scotland the banks touch the people, not only in the large cities, but at every cross roads. These branches are of immense value to the rural districts in supplying facilities for the transaction of business. Every spare dollar in the country finds its way into the banks. I do not believe there is a pound note hid away in an old stocking in all Scotland. As I have said, the people believe in the banks, yea, they are proud of their banks and stand by them. The multitude of branch banks tends to promote saving, for they pay interest on the smallest deposits, and they are nearly at every man's door. The Scot must work hard and he must save, or he would surely starve; but when a Scot gets ahead in the world there is no one more liberal in the use of his money. We all know more than one instance of that.

I know that some of my friends, who have banks in our smaller cities, fear that the capitalists of New York would invade their territory were branch banking permitted. It appears, however, as if the banks of New York have all they can attend to without establishing branches in the distant parts of the country. I firmly believe that not a single branch bank would be established in Wisconsin by Eastern capitalists, while it is more than likely that the banks of our larger cities would establish branches in the smaller towns of the surrounding country. It may be that there is something in the make-up of the American people opposed to branch banks, but I cannot believe it. Branches flourish in every other business, such as insurance, mercantile and manufacturing of every description. I cannot see why there should be any objection to the establishment of branch banks in those towns where there are at present no banks whatever. Another peculiar feature of the Scottish banks is their system of cash accounts or cash credits. One of the bugaboos conjured up against branch banks in this country is that branches of a large bank would never condescend to make small loans to their poorer customers. Now, the branches of the Scottish banks are remarkable for the small loans they make. The system of cash credits, first introduced by the Royal Bank in 1730 and now in general use by all the banks of Scotland, has, without doubt, done more to develop the resources of that country and promote its agricultural and commercial prosperity than any other cause whatever. When the witnesses from Scotland were before the committees of the Lords and Commons, their examiners manifested great curiosity regarding cash credits. It was asked: "What are the facilities that exist in obtaining this

sort of loan compared with those of obtaining an ordinary loan?" and the answer was: "When a person applies for a cash account, which is not an immediate advance of money on the part of the bank, but a conferring of the power or privilege of drawing upon the bank to the extent specified, the person proposes two or more personal sureties; a bond is made out, and he draws as occasion requires." We would call a cash credit permission to run an overdraft secured by good bondsmen, limited in amount, to be reduced to almost nothing at certain times, for if it becomes a dead loan it will be called in. This permission to overdraw may stand for years, unless the bank becomes dissatisfied with the bondsmen or they withdraw from the obligation.

Not a few of the most wealthy men in Scotland have attributed their rise in life to having recived a small cash credit, through the assistance of friends. One of the witnesses before the Lords Committee stated that he had known many instances of young men who were starting in the world from the low situation of servants who conducted themselves well, and who, by the assistance of friends, were able to secure a cash credit and thereby raised themselves to the position of farmers or small manufacturers.

We would naturally suppose that cash credits, while very advantageous to the borrower, would necessarily be unprofitable to the bank, but I understand a higher rate of interest is usually paid on cash credits than on ordinary discounts; at any rate, they seem to please both the banks and their customers.

Gentlemen, I fear I have not been able to tell you much which you did not know before, but at any rate I congratulate myself that I have not occupied a great deal of your time.

THE PRESIDENT: I next have the pleasure of introducing to the convention Mr. Joseph G. Brown, of Raleigh, N. C., the subject of whose address will be "The New South."

THE NEW SOUTH.—ADDRESS OF JOSEPH G. BROWN, PRESIDENT CITIZENS' NATIONAL BANK, RALEIGH, N. C.

Mr. President, Ladies and Gentlemen—In the long life of the great lawgiver of Israel there were three eventful periods. The first of these covered that portion of his life which was spent amid the luxurious surroundings of an Egyptian court, as the adopted son of royalty. The second began when he chose to be loyal and true to his own people, and with them to endure poverty and want, rather than remain the petted son of the King's daughter and enjoy all the pleasures that wealth and power could give. This epoch in his life was one of loneliness and privation as well as one of preparation for the great life work to which he had been called. The third and last period was spent in the service of his people, leading them out of bondage, and guiding them through the wilderness, strengthening their faith and their courage, and inciting them to noble lives by which they would be fitted for the enjoyment of that land which God had promised to their fathers.

In like manner the life of the people of the South may be divided into three distinct periods, almost parallel in their nature with the unique career of Israel's leader. Prior to the Civil War, our Southern land, although sparsely populated, was the home of culture and refinement. With thousands of slaves to cultivate their broad acres our people lived in ease and plenty. But the war came like a besom of destruction carrying blight and devastation in its path, tearing down homes, laying waste the towns, destroying the young manhood and reducing to want and penury the women of the land. Then came the long-to-be-remembered days following the close of the war. May we not with propriety call this the resurrection period? For all that contributed to the peace and prosperity of the Southland was dead save the spirit of her people. There is a law of nature that out of death comes life. The grain of corn is buried in the earth, and from its dying mass comes the new shoot, the new blade, the new stalk which bears the new fruit. So, out of the dead Confederacy came the new life, the new energy, the new spirit that gives to me the topic for this occasion. If I could wield the brush of an artist, as best illustrating these three periods, I would spread on the canvas before your eyes three parallel pictures. First, that of the old plantation home. The "great house," as it was called, stands yonder upon its lofty hill—a "great house" in fact, with its many rooms, its spacious halls, its broad verandas, all betokening the rich hospitality that was so graciously dispensed. In front of the house, along the foot of the sloping lawn, sluggishly flows the beautiful river. Behind the house, and beyond the barns and stables are a hundred neat cabins, with the little negro children playing about the doors, their cheerful mothers or older sisters bustling about inside, or keeping time in song to the music of the spinning-wheel, while in the broad fields beyond the fathers are tilling the ground. In the evening time just of the reflected rays of the setting sun are making glorious the banks of clouds along the Southern horizon, the melody of negro voices is heard, as the laborers return from the field, and, by and by, when the frugal meal has been eaten and the chores are done, again is heard the weird negro voice, accompanied by the stirring notes of the old banjo, and

presently the shuffling feet of men and women and the peals of merry laughter tell of the happy free-from-care life of the old plantation home.

But another scene rises before my vision. Four years of cruel war have passed and we are brought to the year of grace 1865. Along the country road which follows the course of the river, slowly and painfully trudges a man in tattered gray. By his side hangs an empty sleeve. He seems downcast, dejected, but as he nears the site of the old homestead his spirit seems to revive, he quickens his pace and a sweet smile plays over his countenance. He pauses upon the brow of the hill from which can be had the first view of the dear old home. from which he went a strong, brave, hopeful man four years before. He shades his eyes, He looks about him in every direction—and again turns longingly toward the site of the old home. His bosom heaves, the tears run down his cheeks, a look of inexpressible sorrow comes over his face. The old home is gone. Only the bare, blackened chimneys and the debris about them mark the place where it stood. There is the same grassy lawn sloping down to the river's bank; the same familiar trees stand here and there in the yard; there is the same old well from whose oaken bucket he had so often quenched his thirst in boyhood days; the same sun is shining down from the heavens, but it looks upon home no more. Pausing only long enough to regain his composure, he brushes the tears from his cheeks and with determined step turns toward the negro cabins, where appears the only sign of life about the place. As he approaches the nearest cabin an old gray-haired man, who is resting under the shade of the trees, catches sight of him and, rising, comes with tottering steps to meet him. From the cabin door, attracted by the joyful exclamation of the aged man, there comes at the same time a sweet-faced woman, clad in plain, homespun garb, her sleeves rolled to the elbows, having been evidently interrupted in her household duties. At a glance she recognizes the visitor and rushes forward. Thus, the father and mother meet their returning soldier boy. Doubtless the angels in heaven dropped tears of pity at the anguish of these people as they each saw the sad changes wrought in the other during the four years of separation. But I may not dwell on this scene. It is but one of thousands familiar throughout our Southland at this period. The son and parents are happy that they are reunited. Briefly the experiences of the four years are recounted, and then plans for the future are discussed. The cabin in which the old folks are living is the only one occupied. The others are empty, desolate. The negroes are gone. But, although the body of the young man is weak and one strong arm is missing, there is a soul within that is strong and buoyant, and this gives him inspiration. So not many days elapse before there is a great transformation in the appearance of things. New life seems breathed into the old place, and by degrees it is rebuilt and becomes the original of my third picture.

SPLENDID ACTIVITY OF THE SOUTH TO-DAY.

Once more we stand on the banks of the river upon whose bosom now float majestic steamers. We look with admiration upon the beautiful green of the sloping lawn and upon the graveled walks that lead up to the front of the handsome, modern structure, evidently a home of wealth and culture. At a little distance we see a mammoth building, with a great smokestack pointing heavenward, and from its myriad windows there come the musical hum of the whirling machinery and the gladsome voices of the happy operatives of a great cotton mill. Behind the house are the barns and stables, and in the distance large herds of cattle are grazing in the rich pasturage, whilst in other directions are waving fields of grain and broad acres of cotton reflecting in its snowy sheen the glad sunlight of heaven. Adown the river, we see a bustling town, sprung up as if by magic, under the touch of the genius of the youth who, but a little while ago, came back in the tattered gray from scenes of blood and carnage. This, too, is but one of many similar scenes, which go to make up the new South.

The pictures that I have drawn are true to life. The close of the war found indeed a desolate, devastated country, its farms run down, its property gone, and its people, all too unused to work, crushed and broken-hearted, not only because their property had been swept away, but also because their strong men had either fallen in battle or had come back broken in health and with shattered frames. They went away boys, with light hearts and joyous anticipations of the future. They came back men, bowed down with disappointment and sorrow, and facing the greatest problem ever presented to any people—that of the proper adjustment of the two races in their relations to each other. Then it was, as never before, the world saw the true glory of the South as it shone out in her noble womanhood. Reared in luxury, as she was, with strong arms to provide for and protect her, and with obedient, docile slaves to do her bidding and to gratify her every wish, it is wonderful with what ease she adapted herself to changed conditions. With her own delicate hands she began to do the drudgery work of the humble home, while with her glad, hopeful heart she cheered and helped the more despondent husband and brother and inspired in the breast of the boys a determination to rebuild the lost fortunes and to re-establish the land of their birth and of their love. There was nothing to build upon, however, save the uncared for land and the

indomitable pluck of her people. The story that tells of their struggles and their difficulties, their failures and their victories, is one of thrilling interest, but I can undertake only to present a few figures to show results. Interesting indeed are the figures that tell of her wonderful prosperity. But before presenting these figures, let me say, that the topic assigned me is a misleading one. There is no new South, except as there is a new North, or East or West. Ours is the same old South which in the early days of the republic gave her sons for freedom, and, in days of peace, gave them to her country as statesmen to aid in building up for her the greatest and best government the world has ever known.

This South of ours is very much like the popular society belle. She never tires of listening to pleasant things about herself, and she is always ready for you to tell her again the same sweet old story of her beauty and her charms. I have told you that the South had practically nothing at the close of the war. The world looked on in amazement at the ease with which France met the installments of the enormous penalty imposed by her victorious foe at the close of the Franco-German War. The South, after enduring a war four times as long, paid in one vast lump sum a penalty five times as large, the money value of her slaves being that much greater than the amount demanded of the French. No country ever rallied from such desolation with such spirit and vigor as she displayed—a result due not more to her abounding natural resources, than to the spirit and pluck of her sons and daughters. Tried in the severest furnace, she has proved to the world that she is worthy of its confidence, that in her and her people are to be found the real elements of moral and material wealth. Her wealth to-day equals that of the entire country in 1860, and practically all of this has been created since the close of the Civil War. It took from that time until about 1880 to gather sufficient accumulations to serve as a basis of credit and of active operations—to inspire confidence and to acquire prestige sufficient to attract outside capital. Now our advantages are an open book known and read of all men. To-day, the North is sending to us not only her money but her sons. They are coming this way looking for opportunities to aid in our industrial development. How different the outlook of to-day from that of even twenty years ago!

At the beginning of this new century, a thousand millions of dollars will barely tell the amount of capital the South has invested in her manufacturing enterprises alone, and she is annually putting on the markets of the world her own handiwork to the value of more than one and a half billions of dollars. What does this mean? It means that the wealth of the South, consisting heretofore of her natural products alone, in their raw state, has been infinitely multiplied in value by the application of her brains and her skilled hands. It means that instead of confining themselves to the professions and to politics, her sons are learning to erect, to equip and to operate the mill, and that they are converting their eight-cent cotton into a product worth more than 200 cents to the pound. It means that instead of cutting the trees from her forests and selling them for firewood at three dollars per cord, she is converting them into useful shapes that bring the cord value up to more than half a hundred dollars. It means that the South has learned that wasteful living and dependence on unskilled labor will keep her people always as mere "hewers of wood and drawers of water." It means that not only in the mills, but in technical schools everywhere, she is training the hands of her boys, and at the same time storing their minds with useful knowledge. It means that the South is but upon the threshold of her development, and that this first decade of the twentieth century will witness a progress more marked than the most optimistic have ever dreamed of—a progress unparalleled in the history of any country. But what is there to substantiate these claims? Let me tell you. In tobacco, the South is supplying the world with a quantity and a quality that are not equalled elsewhere. She produces seventy-five per cent. of all the tobacco raised in the United States. The annual product of her cotton fields is more than 10,000,000 bales, against about half that much twenty years ago. With $22,000,000 invested at that period, she manufactured less than 200,000 bales of her own cotton. To-day with $150,000,000 invested capital, she is manufacturing more than 1,500,000 bales. In cotton oil mills in 1880 she had $3,500,000 invested: now, more than $50,000,000. She is producing 200,000,000 more bushels of grain, and her agricultural products exceed in value those of 1880 by more than $600,000,000.

In this beautiful section where we are gathered to-day, I learn that the rice industry, in its infancy twenty years ago, now employs a vast multitude of men, and more than $12,000,000 of capital. The South is producing 51,000,000 tons of coal, more than eight times the entire output of the country in 1860. Her pig iron product exceeds that of 1860 by nearly 2,000,000 tons. In 1880 she had but a little more than 20,000 miles of railroad, while to-day 55,000 miles of well built and well managed railways bind together all her sections and tie them, as with ropes of steel, to her sister States throughout the Union. Many sections are manufacturing furniture on a large scale. My own State of North Carolina is selling furniture to Grand Rapids itself; many sections are knitting and weaving; great engines are being built, and great ships from Southern shipyards are plowing the water of the seas and carrying the commerce of the nations. In many lines the increase in the South has been proportionately much larger than in other sections. This is especially true in cotton milling. Within

twenty years the South ahas dded 7,000,000 spindles to her mills, while the addition in other sections has been only 2,000,000 spindles.

Since 1890 the number of persons engaged in agriculture in the South has increased 36 per cent., and the wage-earners in manufacturing have increase in number 157 per cent.—both percentages being greater than in the country at large.

The capital invested in manufacturing has increased in the South 348 per cent. against an increase of only 252 per cent. in the United States—while in the value of products the increase in the South has been 220 per cent., against 142 per cent. in the nation. The increase of value in farm property has been in the South 92 per cent., in the United States only 67 per cent.

Within these ten years the banking resources of the South have been increased by about $300,000,000, aggregating now more than $800,000,000. This, with the large amounts of foreign capital now seeking investment in our midst, has made possible the rapid growth. With vast beds of phosphate rock for fertilizers, with boundless acres that produce cotton almost spontaneously, and with our own mills, manufacturing our product, and with cheap labor, may we not safely claim to control the cotton situation of the world? With our hills and mountains stored with coal and iron, with boundless forests everywhere, and with hundreds of natural oil wells gushing forth continuously the cheapest of fuel, what section can successfully compete with us in iron and steel industries? Zinc and copper, gold and silver and rarest gems abound in many sections. Our granite and marble are unsurpassed in beauty and durability. Our soil responds readily to cultivation, and our trucking districts are supplying the populous sections of the North with fruit and vegetables. Ours is "a good land, a land of brooks of water, of fountains and depths that spring out of valleys and hills: a land of wheat and barley, and vines and fig trees, and pomegranates; a land of oil, olive and honey; a land wherein thou shall eat bread without scarceness' thou shalt not lack anything in it; a land whose stones are iron and out of whose hills thou mayst dig brass." We have a climate that strengthens and invigorates. It was within our borders that the old Spaniard discovered the fountain of perpetual youth. Nature has indeed been lavish in her gifts, and our people are but just awakening to a realization of their possessions. We have room for and we need more people. Many have come among us, and mingling with us, have become "bone of our bone and flesh of our flesh." We have the warmest welcome for all who come to unite with us in developing this land that we love.

I have said that there is no new South. True, the old South of slavery has passed away and the South of freedom has taken its place. The South of 1860 strove to defend what she conceived to be her rights. But the South of this twentieth century, the renewed South, if you please, realizes that it was a blessing in disguise that took away her dependence on the slave, and the farm, and gave her self-reliance and the diversified industries that are to-day blessing our people with plenty and prosperity. The South has learned that not only is the work of the free negro of greater value than that of the slave, but the freeing him has freed the white man from the idea that manual labor was for the negro alone, and rich and poor alike are now training their sons to work.

EDUCATIONAL AWAKENING AMONG THE PEOPLE.

We thank God for universal freedom! Another great factor in our upbuilding is the educational awakening among our people. Long time we hung our heads in shame and confessed our enormous percentage of illiteracy, but to-day Southern hands and Southern hearts and Northern hands and Northern hearts are united in their one purpose and effort to educate all the people, and more money is being spent for that purpose than ever before in our history. The bright light of education is illumining our Southern skies, and every passing day brings fuller acknowledgment of the genius of Southern manhood, in learning, in the arts, in industrial and commercial lines. Only a little while ago a young Southerner from a little country village in North Carolina, and a college classmate of mine, was called to cultured Boston, where as editor of the "Atlantic Monthly," he filled with distinction the chair that James Russell Rowell and other New England literary celebrities had been proud to occupy. And never in its distinguished history has that magazine attained higher literary excellence, wider popularity, and larger influence than during his occupancy of the editorial chair. That young man is to-day making the "World's Work," in the city of New York, a mighty factor in the literary and industrial life of the country, and he is one of the recognized leaders in the great educational campaign now waging in the South.

Another Southerner, and North Carolinian, too, is the active head of the great English-American Tobacco Company, whose great commercial arms are now reaching out over the civilized world. The young man and his immediate family have recently invested nearly a million dollars in higher education in North Carolina. So, in the sacred pulpit, in the learned professions, in the great banking institutions, in the management of great railways, in every line where brain and character and genius count, the sons of the South are found. We are

proud of them. Among all our rich possessions we count as our chiefest and best our loyal sons and daughters. These are our jewels. "Our sons are as plants, grown up in their youth; our daughters as corner stones, polished after the similitude of a palace."

There is another matter which has been misunderstood, and perhaps ought not to be omitted in this discussion. Another war is being waged. Another declaration of independence has been proclaimed and is being defended. It is the emancipation of the white man. When the great Lincoln issued his proclamation of freedom, the world applauded. The most intense Southerner to-day rejoices that the negro's freedom was accomplished. But scarcely any well informed person is found now who does not recognize that an egregious mistake was made when, through the ballot, the balance of political power was placed in the hands of a mass of ignorant people, without the least conception of the meaning of government. The South honors the negro. We can never forget the loyal fidelity with which he stood by the old home, and by the women and children when the husbands and fathers and sons were gone to war.

Longing for freedom, and knowing the meaning of the battle that was waging, they never failed in their devotion to the interest of their old masters. History records no similar devotion among any people. The South cannot forget these things, and because of them she gives the negro her sincerest friendship. But she believes that it is to the best interest of both races that the control of Government should be in the hands of intelligent men, and it is to this end that recent constitutional changes have been made and educational restrictions imposed. And thus in various ways we are undergoing the process of a new emancipation.

Already the benefits are manifest in the impetus that has been given to the cause of education. And unless our wisest men are mistaken, a few years will convince the world of the wisdom of what now seems to be rather heroic action. Let criticism be withheld until results are seen. We ask your patience, and we claim your confidence.

Time works wonderful changes in our ideas. The youngest of us remember when the prejudice against Northern men was very bitter, and when the name of the great man who issued the proclamation of freedom was cordially hated by many in the South. Not so in this good day. Around me I see men and women of every section - men and women of the South and of the North. Not many of these were among those who drew the sword and fought each other, but they are the sons and daughters of those grand old heroes who wore the blue, and equally grand old heroes who wore the gray. We sit together here under the same flag, at perfect peace—and we rejoice together that we are one people, one in spirit, one in purpose, one in devotion to our common country.

At a meeting of the New England Society in New York city in 1887, the eloquent Southerner, Henry W. Grady, said that "Abraham Lincoln was the first typical American, containing within himself all the strength and gentleness, all the majesty and grace of the republic, that in his ardent nature were found the virtues of both the Virginia Cavalier and the New England Puritan, and in the depths of his great soul the faults of both were lost."

The North applauded these words and the South re-echoed and adopted them as her own. From that day to this, stronger and stronger has grown the tie of union, weaker and weaker the bar of separation, until in our common grief around McKinley's bier the last trace of the imaginary line that separated us was wiped out forever, and we became one and indissoluble—a reunited country. What God hath joined together, let no man put asunder! Then, if all these things are true, if the South, after bravely fighting for what she conceived to be her rights, laid down her arms in submission to her stronger foe; if then, instead of sulking in her tent she raised the "Stars and Stripes" above her head, and proclaimed to the world that these were her colors; if, when her country called to arms again, she sent her bravest and best, giving the first blood in Worth Bagley and unsurpassed instances of courage and bravery in her Hobson and her Blue and her Shipp, and in those grand old veterans, Joe Wheeler and Fitzhugh Lee; if her sons and daughters have now turned their hands to lines of industry, and are building up the material interests of the country; if she has sent her Hendrix and her Carlisle, her Duke and her Rushton to manage the great financial institutions of the metropolitan cities; if she has sent her sons to direct the great railway systems that are building up the waste places; if she has given her lawyers to interpret the law, her editors to teach the people, and her ministers to point out the way of life; if in all these things she has proven her loyalty, and her worthiness, and has been received as an equal, is it not time that she should be given too a political equality, and that we hear no more the cry that this or that man, worthy though he may be of the very highest honors, must be ignored because forsooth he is a Southern man? Away with such inconsistency! Away with sectionalism forever! Let one topic be no more of the North or the South, but forevermore "The Union." We are brethren, let us live as such. And henceforth in this glad land of the free let men be recognized for fitness only, and not because of their local habitation.

I have now tried to tell you what the South was, and what she is to-day. I would that I might lift the veil that hides the future and reveal to you what she shall be. If from the depths and desolation of such abject poverty she has risen with such vigor and strength, and,

with such scant resources, has accomplished so much during the past twenty years, what may we not expect from the record of the next decade, starting as it does from the vantage ground of present prosperity, with our vast accumulations, and our unlimited credit, with our countless mills and factories, and with the easier access, which the Isthmian Canal will give us, to the markets of the Orient, whose teeming millions are in need of the very supplies that we can most readily furnish? It has not entered into the mind of man to conceive what the coming years shall bring. The future is bright with hope. Let us go forward then, realizing that to whom much is given, of them much shall be required.

Relying upon the Divine Leader, and upon the strong arm of the American people, let us take our place at the head of the nations of the earth and put forth every effort to make this country of ours a beacon light—an object lesson, illustrating the grandeur of a republic—spreading the light of American civilization, and inspiring men everywhere with a love of freedom and of right.

THE PRESIDENT: The next committee of which we were to have a report was the committee on fidelity insurance.

J. J. SULLIVAN, of Cleveland, Ohio: Mr. President, I move that that report be passed for the present. It is a very important subject, and most of the delegates are now going out and I do not think it should be presented before a slim attendance of the members.

THE PRESIDENT: Very well. The Chair will pass that report, and it may be taken up to-morrow morning.

The report of the committee on internal revenue taxation is in print, and it will be published in our proceedings at this place.

REPORT OF THE COMMITTEE ON INTERNAL REVENUE TAXATION.

To the American Bankers' Association.

Gentlemen—Your committee on taxation respectfully beg to report that they used their best endeavors and in consultation and co-operation with the officers of your society exercised their best influence to procure relief from the onerous and, as it seemed to us, unjust taxation specially imposed upon banks by the terms of the Spanish War Revenue Act. As you well know, the entire act was repealed and therefore the relief sought was obtained, and your committee are entitled to be discharged from further consideration of the subject.

We also beg to report as follows: The Commissioner of Internal Revenue, by decision duly rendered, reversed the former ruling of the Department and held that banks were liable to a tax upon their undivided profits as well as their capital and surplus. Instructions were issued to the various collectors of internal revenue to proceed to collect the same. It was believed that the interests of the banks would be conserved if the labors of your committee were supplemented by a committee representing the clearing-house associations of the leading cities of the country. Such committee was duly created as follows: Jas. B. Forgan, chairman, President of the First National Bank, Chicago; Stephen Baker, President of the Bank of the Manhattan Company, New York city; Théodore Kitchen, President of the Central National Bank, Philadelphia; Thos. P. Beal, President of the Second National Bank, Boston; C. C. Homer, President of the Second National Bank, Baltimore; Wm. T. Dixon, President of the National Exchange Bank, Baltimore, and Chas. Parsons, President of the State National Bank, St. Louis. They appeared before the Commissioner at Washington and the Secretary of the Treasury, and found them both inflexible in their determination to adhere to their ruling, notwithstanding the same was directly contrary to the opinion expressed by the former United States Attorney-General, John W. Griggs. They agreed with the Commissioner of Internal Revenue as follows: The banks to make report of undivided profits as required by the Department, the Commissioner to extend the tax thereon, the banks to file a protest and demand relief from same, whereupon the Commissioner would suspend collection pending the construction of the law by the courts. In the meantime a test suit was to be brought for the purpose of determining the proper construction of the section of the law under discussion.

This committee, representing the clearing-house associations, conferred with your committee and represented that the question involved was one in which the entire banking community were directly interested and concerned, that it was eminently a proper question for the American Bankers' Association to assume the charge and control—that a test suit should be brought by some bank in accordance with the requirements of the Commissioner of Internal Revenue, under the conduct and at the expense of the American Bankers' Association. This position seemed to your committee eminently proper and just. Your committee and the committee representing the clearing-house associations jointly conferred with the chairman of your executive council, Mr. F. G. Bigelow, and the president of your association, Mr.

Myron T. Herrick. All concurred in the opinion that the proper construction of the statute in question should be obtained at the expense of the American Bankers' Association. We therefore determined upon such action, trusting that the same would be ratified at the ensuing convention.

The Leather Manufacturers' National Bank of New York was selected as one whose very high character, standing and condition with respect to capital, surplus and undivided profits presented a fair test case. The officers of that institution very kindly consented that the suit be brought in their name for the purpose above stated. The law firm of Gifford, Stearns & Hobbs, because of their well-known character and ability and their familiarity with this line of practice, were selected to conduct the litigation, representing the banking interests. Under their advice and direction the Leather Manufacturers' National Bank made report, paid the tax upon undivided profits under protest, appealed to the Commissioner of Internal Revenue for a restitution, which was denied, and thereupon brought suit to recover the same. There being no question or controversy as to the facts, a stated case was made. Upon the argument the United States District Attorney asked that a *pro forma* judgment sustaining their construction of the statute be entered, assuring the court that whatever the decision might be an appeal would be taken. This the Judge seemed inclined to do, but finally took the papers and subsequently rendered an opinion adverse to the contention of the banks. That distinguished lawyer, the Hon. John W. Griggs, when Attorney-General of the United States, having rendered an opinion sustaining the contention of the banks, and the attorneys of the Clearing-House Association of New York and of several of the leading banks in the city of New York and other cities having rendered similar opinions, your committee felt constrained to direct an appeal, being very hopeful, if not confident, that the Appellate Court will reverse the court below and sustain our contention as to the proper construction of the law. The case is, therefore, now pending in the United States Circuit Court.

Contrary to what we supposed was the understanding between the Commissioner of Internal Revenue and the committee representing the clearing-house associations, the Commissioner felt constrained to enforce the collection of the tax, assuring, however, that it would be easy to recover the same in case the ultimate decision of the court sustained our position.

The question is open for such instructions as the convention sees fit to give. Inasmuch as there may be no necessity for continuing the committee on taxation, it may be well to refer the matter to the chairman of the executive council, with such instructions as to the convention may seem wise.

Respectfully submitted,

A. B. HEPBURN, *Chairman Committee on Taxation.*

After some announcements, the convention adjourned until 10 A. M. November 12.

SECOND DAY'S PROCEEDINGS.

The convention was called to order by President Herrick, and the divine blessing was invoked by the Right Reverend G. A. Rouzel, Auxiliary Bishop of Louisiana.

THE PRESIDENT: Permit me to say, in opening the business this morning, that the reputation of New Orleans has gone abroad. There are something over 1,700 people registered at this convention—the largest attendance ever known in the history of the association.

We have some unfinished business of yesterday, which we will now take up. Colonel Lowry, of Georgia, will please come to the platform.

COL. ROBERT J. LOWRY, of Atlanta, Georgia: I am tall enough to be seen, and I believe I can speak loud enough to be heard, from the floor. Therefore, with your permission, Mr. President, will I remain where I am. I desire to present a supplementary report of the committee on education. The report presented yesterday was not entirely completed, and to make it complete I desire to present the following:

SUPPLEMENTARY REPORT OF COMMITTEE ON EDUCATION.

Gentlemen of the American Bankers' Association—In presenting the report of the committee on education, I do not desire to consume the valuable time of the convention, but only to preface the report by making a few remarks. The report of our committee relative to the organization of the American Institute of Bank Clerks is in pamphlet form, and each of you has a copy. If not, the secretary will

be glad to furnish you with it. I respectfully beg each and every one of you to read the report through carefully, that you may become acquainted with the movement, which I regard as one of the most important which has been inaugurated by this association. It is not only an important movement, but it bids fair to become one of the most sucessful in the training of young men to become efficient in their work, and hard students of finance and financiering. It behooves each and every member of this association to post himself upon the progress of this educational movement, which has accomplished so much during the past year under the able direction of Mr. James G. Cannon, late president, and Mr. Kittredge, our efficient secretary.

It will, of course, be borne in mind that the institute is young, and we must give the children time to grow. We cannot expect the fruition of the committee's ambition within the short space of eighteen months, which represents the life of the organization, but the showing made of the growth of the institute, the committee feel proud in saying, is not only encouraging, but gratifying. Many thriving chapters of the institute have been organized in the larger cities, and the correspondence school of banking has about 700 active students, who are making a study of all the intricate problems which from day to day arise in the experience of bank clerks. "The Bulletin," which is the efficient mouthpiece of the organization, has now a subscription list of over 5,000, mailing list of some 6,000, and from each and every issue of this sheet can be culled valuable information for the ambitious clerk, who wants to learn ,and seeks the opportunity of gathering information.

Now, a great deal of missionary work has been accomplished which gives us vantage ground in the further prosecution of this important work. Prospects are good, and a continuation of the work so well begun seems not only advisable, but necessary. There are thousands of young men in this country who can and will be greatly benefited in their daily capacities both now and in the future through the influence and training afforded by this school of bank clerks. Many of these young men will sooner or later occupy positions of great responsibility; many of them will become members of this association; many may become powers in the financial world, and some may be called to high positions of trust in the public affairs of our great country. In whatever capacity they may be called to serve in the future, a thorough course of study, and familiarizing themselves with the topics handled by this institute, can do them naught but good, and the time and expense put into this work would not and could not be lost.

I beg you will read carefully Mr. Kittredge's report to our committee as to the work of the Institute of Bank Clerks for the past year. Mr. J. B. Finley, of Pittsburg, now president of the institute, and Mr. Kittredge are with us to-daay, and I respectfully ask the granting of a few moments of the time of the convention to them. Mr. Kittredge has had active charge of the work of this institute as its secretary, and is more familiar with the details of the work along this line than I am. He is enthusiastic in the work, and I am sure we would be glad to hear from him as to his experience in the past with this work and his views and plans for the future.

(Signed.) ROBERT J. LOWRY, *Chairman.*

COL. LOWRY: I should like to have the convention listen to Mr. Kittredge for a few moments.

THE PRESIDENT: We will be very glad to listen to Mr. Kittredge, if there is no objection. There being no objection, Mr. Kittredge will kindly take the floor.

REMARKS BY A. O. KITTREDGE, OF NEW YORK.

Mr. President, Ladies and Gentlemen—I will be very brief. When I sat before this assembly at Milwaukee a year ago, the most I could say about the Bank Clerks' Institute was to promise what it was going to be, and to indicate in some measure, from the very small experience we had had up to that time, what it might be. We come here to-day with eighteen months of actual work accomplished. Twenty-seven chapters have been formed throughout the Union, with a membership of over 4,000 bank clerks, with a periodical called "The Bulletin," having over 5,000 paid subscriptions; with a correspondence school, covering elementary branches belonging to banking, and with over 700 earnest pupils. The work of the institute is threefold in character. It is along the line of chapters in the largest cities, and we have correspondence study in the country districts, and cementing

the two together and going outside of the two, the periodical called "The Bulletin" of the American Institute of Bank Clerks. Referring to this periodical there have been many complimentary remarks passed upon it, and we have a very large collection of testimonials in our office. It is filled with fresh thoughts of bright young minds who are giving attention to banking principles. It is a novelty literature. It is being subscribed to by the presidents, vice-presidents, cashiers and members of boards of directors of banks all over the country, and they find in it something that they have not heretofore found in banking literature. The subjects discussed are along the line of the work of the young men. There is the paying teller's work, the receiving teller's work, the general bookkeeper's work, the work of the clerk in charge of the exchange department, and so on to the end of the list. All of the young men who are being benefited at the present time by the institute are learning to regard it as a part of the bounty of this organization They are being directly and indirectly trained for membership in the American Bankers' Association. The work done for the clerk in the largest city where there are a considerable number to be brought together is supplemented in the outlying or country districts by the correspondence school; the lines are parallel; they are interlocking at certain points. "The Bulletin" cements the two together.

What has been done to date is almost without parallel in educational movements. In eighteen months we have accomplished a subscription list through "The Bulletin" of some 5,000, and a membership in chapters of over 4,000, and upwards of 700 students in the correspondence school, as I have stated.

On motion of Col. Lowry the report was referred to the executive council.

The President: There being no report from the express company committee, it has been suggested that the committee be discharged. If there is no objection, the committee will be discharged.

The committee of which Mr. Hepburn, of New York, is chairman, will be continued, and the report of his committee will be inserted in our record.

I will now ask Mr. Hamilton to present the Report of the Committee on fidelity insurance.

John L. Hamilton, of Hoopeston, Ill.: Mr. President and Gentlemen—It is especially desired to bring this report to your attention, for the reason that this committee has been working along on this line for the past four years, and in this report we make some radical recommendations that will have to be considered by all the bankers of this country in a short time. For that reason I desire to call your attention especially to this report. You will find copies of it in each seat in the Hall.

Report of the Committee on Fidelity Insurance.

To the American Bankers' Association:

Your committee on Fidelity Insurance begs to report that it has continued its work and investigation along the lines laid out in former reports. It has been our aim to make our report as complete as possible, although we were greatly handicapped by the sickness and death of the former secretary of the committee, Mr. A. E. Lewis, and thrown back at least five months in our work, yet we believe that the information and statistics are as near complete as it is possible to get them. We have not confined ourselves to members of the association, but have sent inquiries to every bank in the United States.

Inquiries sent to members		5,357
Second request to members		1,234
Replies received	4,722	
Inquiries unanswered	635	
Inquiries sent to non-members		11,283
Replies received	4,143	
Inquiries unanswered	7,140	
Total inquiries sent		17,874
Letters of inquiry answered by committee		2,769

The committee, in sending the inquiries to the non-members, called their attention to the benefits of the association and the valuable work of its different committees. With the answers to our inquiries we received many applications for membership which we acknowledged and forwarded to the secretary of the association.

The number of replies received from inquiries to non-members was far beyond our expectation. These replies showed that the bankers are alive to the importance of this subject and deeply interested in the outcome of this work. We believe that the interest taken will lead many to become members of the association in the near future.

RATES.

From the first report of the committee at Cleveland, Ohio, in 1900, we learn that the average rate per thousand then paid was $3.89.

The average rate per thousand now paid by banks not members of the association is $3.15.

The average rate per thousand now paid on the American Bankers' copyrighted form of bond is $2.99.

The average rate per thousand paid by members on all forms of bonds is $2.90.

Rates paid per thousand for association form of bond vary from $2.50 to $5.

Statistics of 1902, as compared with those of 1900, show that through the efforts of the association to remedy existing evils the non-members who have replied have had an annual saving of $24,415.00, or seventy-four cents on each $1,000 of insurance.

We wish to call the attention of non-members to the fact that while they have, through no effort of theirs, been benefited by the work of this committee, yet there are many benefits of inestimable value that the members of the association enjoy in which they have no part.

The following shows the amount of bonds carried by members of the association and the amount of premiums paid:

The members are carrying	$133,705,570.00
Amount of premium paid	388,799.33
The members are carrying on American Bankers' Association form of bond	22,466,500.00
Amount of premium paid	67,209.46
The amount of personal bond	249,500.00

Through the reduction in rates, as compared with the year 1900, the members of the association are saving annually $132,368, a sum equal to double the average bonded loss paid per annum.

The large cities, New York, Chicago, Boston, Philadelphia, Cleveland, Providence, Baltimore, etc., as has been repeatedly reported, are paying higher rates, while smaller places have profited by the reports of the committee.

In making a comparison of the rates paid by the bankers of the different states it is interesting to note that seven states are paying an average rate of over $4 per thousand, thirty-three are paying an average rate of over $3 per thousand and eight are paying an average rate of over $2 per thousand, while Missouri, alone, pays an average rate of $1.99 per thousand.

The following states have the distinction of paying the highest rates per thousand:

South Carolina	$4.71	Washington	$4.17
Nebraska	4.41	Maryland	4.03
Colorado	4.32	Ohio	3.67
California	4.30	North Dakota	3.52
Louisiana	4.26	New York	3.45

We attach to this report "Exhibit A," showing, by states, the average rate paid per thousand for the American Bankers' Association form of bonds and by members and non-members on all other forms of bonds.

EMPLOYEES.

The total number of employees of the 8,865 banks, members and non-members, reporting, is 47,205. Of this number 26,862 are not bonded, 19,992 give corporate bonds and 351 give personal bonds.

THE AMERICAN BANKERS' ASSOCIATION FORM OF BOND.

The fidelity insurance committee, in 1899, had prepared and copyrighted a form of bond for the exclusive use of the members of the association.

Our committee has been astonished and pleased to note the demand for this form of bond. It was first reported in 1900 and to-day, out of 17,248 employes bonded, 4,455, or 25 per cent. of the employes, are now bonded under this form. This change, taking place in about two years, is marvelous, nor is this all the interest that is taken in it. We have over 2,000 unanswered letters from members and about 1,200 from banks not members asking for copies of this bond, which would have been sent, but we have been delayed in getting a new supply printed.

A majority of the bankers and the banking departments of the different states, as well as many of the bank examiners, realize the necessity, and favor the use, of a uniform bond. There are thirty-four companies writing bonds in the United States and each company has one or more special forms.

We are constantly receiving letters from bankers and their attorneys asking that we cite them cases of decisions that they may use in trials to enforce the collection of bonds. Owing to the fact that there are thirty-four companies writing fidelity bonds, each company having several special forms, it is impossible to furnish information that is of much value, as each case, or bond, usually requires a special construction of some court, and the lack of uniformity of the bonds leads to endless litigation and loss to our members.

Only one decision is common, and that is a verdict in favor of the bonding company. It is the exception when they have to pay a contested claim on their own form of bond. If all bankers used one form of bond we would soon have precedents established, and weak places or defects in the adopted form, if any, could be changed so as to give the desired protection. So far there has not been a failure to pay one of the American Bankers' Association form of bond reported.

There have been many cases reported to us this year in which the bonding companies are refusing payment, and our reports show that fully 47 per cent. of the losses are being contested.

We recommend that the fidelity insurance committee employ competent attorneys to prepare a digest of all cases in the higher courts pertaining to the collection of fidelity insurance, and that this information be furnished to any of the members of the association upon application to the committee.

This committee wishes especially to call your attention to the advantages of the American Bankers' Association form of bond, and herewith quote from the former report:

"Briefly, some of its advantages over other forms are:

"1. It was drawn for the association, under the direction of this committee, by the eminent law firm, Butler, Notman, Joline & Mynderse, of New York.

2. It is in the line of uniformity.

3. Its basis is a premium payment and not an application filed with the Surety Company.

4. The rights and duties of both parties appear in the bond. It is the whole contract, so that statements, application blanks, etc. ,are not needed to make a considerable but invisible portion of its terms.

5. It is a contract of insurance rather than of suretyship. Talk this point over with your attorney.

6. Each man is bonded as an employe, permitting freedom of transfer without notice to the company, thus preventing any question as to his serving in a dual capacity, or in case of a default any question as to whether it occurred while he performed the particular duties for which he was bonded, such as bookkeeper, teller, etc.

7. It is a continuous bond, so long as the premiums are paid. A loss may be recovered years after a default, if the bond is still in force.

8. It insures not only the funds of the bank, but the funds of others in the hands of the bank for which it is responsible.

9. The theory of the bond is that the entire staff should be covered under it, so that if a default occurs where one or two or more men might be the guilty party, it is not obligatory on the insured to say which one is guilty.

10. It covers all men under it to a definite date, instead of having bonds expiring all through the year.

11. Employes may be added to or taken from the bond at any date.

12. It is absolutely free from any clause designed to befog a clean-cut contract.

We regret to be obliged to report that in some cases companies are writing this policy only after persistent attempts to furnish their other forms, and some are insisting on the assured making warranties in the application blank as a basis of the contract. This makes a conflict in the term of the policy and is liable to involve the bank accepting such insurance in litigation and possible failure to recover, in case of loss. Our members cannot too carefully guard against any attempt to substitute an application blank containing warranties for a cash premium as a basis for the insurance."

CONCLUSION.

The committee, after carefully studying the conditions here and abroad and having gathered a report as nearly complete as it is possible to get, believe it is useless to follow up the inquiries further unless it is the aim of the American Bankers' Association to put the information to some practical use.

In order to do this there are many legal questions to be considered. The committee employed the well-known firm of lawyers, Wetten & Morrison, of Chicago, Ill., who have submitted to us one of the most carefully prepared briefs that it has been our privilege to examine. They have considered every possible contingency that may arise, and have cited us more than 250 authorities to sustain their opinions.

The conclusions are that there are two ways for the American Bankers' Association to bond their employes within themselves if they care to do so. The first and least cumbersome in its organization, is by the amendment of our constitution so as to provide for the appointment of a board of trustees to establish a protection fund, and, if desired, a pension fund in connection with it. By the appointment of such a board the mutual liability of each bank is avoided, yet the association controls the trust funds.

Another and less practical plan would require the organization of a Fidelity Insurance Company, independent of the American Bankers' Association, in which the members would be asked to become subscribers for the stock, and, as this would be optional, there is not much likelihood of such a plan becoming a success.

The organization of a board of trustees to create a protective fund and a pension fund under the control of the association can easily be done so long as none but employes of members of the association are accepted.

All fidelity losses can be paid, and, in addition thereto, a pension equal to one-third the average salary he has received can be paid to each employe who has served twenty years, and, at the same time, after the department has been established, pay all expenses.

This is not an untried experiment, but has been tried by the Bank of England and seven other English and Scotch banking houses for forty years. They all recommend the adoption of such a plan for the American bankers.

The banking houses of England not maintaining a special fidelity fund within themselves, have organized The Bankers' Guarantee and Trust Fund, controlled by a board of trustees and their secretary, The Hon. John A. Allen. This organization has been successful from the start. They have met all losses promptly, and upon a payment of $2.70 per $1,000 for five years, and no further payments, they have been able to pay all losses, averaging $29,372 per annum. This company very seldom contests a loss claim. At the same time they have accumulated a fund of £189,600 or $825,248.00. This interest from this fund is almost sufficient to pay all losses. This Board of Trustees have 15,897 policies outstanding at the present time, almost as many as the members of the American Bankers' Association, which is 17,248.

The Bankers' Guarantee and Trust Fund does not have the pension or widow's fund, but these funds are the features of plans in practical use by the Bank of England and seven other large banks that maintain an organization of their own, independent of other banking houses.

The bankers of America could bond and pension their own employes at no greater expense than is now being paid for bonds, many of which are worthless.

This committee have all the plans, rules, regulations and rates of the different banks of England governing such funds, and should this association establish a feature of this kind we have the information at hand so that it could easily be put into practical operation. We believe that we have all the information that is possible to be obtained and recommend that the information be put to a practical use.

We wish to thank the members of this association for their promptness and courtesy in answering our inquiries. While some were inclined to think that we seemed "pertinent," yet, when they understood it was for the association, they willingly gave us the desired information.

We wish to thank the banks not members of the association who replied so promptly to our inquiries, also the members of the executive council and the members of the other standing committees, as well as the officers of the association who have so kindly helped us in this work.

Respectfully submitted,
JOHN L. HAMILTON,
F. H. FRIES,
GEORGE P. POTEE.
Committee on Fidelity Insurance.

The three previous reports of the fidelity insurance committee may be found in the proceedings for the year 1899 on page 98, the year 1900 on page 93, and for the year 1901 on page 48.

EXHIBIT "A."

STATE.	Rates per $1,000 paid for Association Bond.	Rates paid by members for all form of bond.	Rates paid by banks not members.
Alabama	$3.01	$3.84	$3.56
Arizona	3.00	3.81	...
Arkansas	3.00	2.54	3.66
California	3.21	4.30	3.18
Colorado	4.09	4.32	5.00
Connecticut	3.19	3.26	3.47
Delaware	...	3.59	3.55
District of Columbia	3.50	4.09	...
Florida	3.00	3.08	5.00
Georgia	3.08	3.16	3.07
Idaho	3.20	3.50	2.50
Illinois	3.72	3,31	4.08
Indiana	3.25	3.43	3.38
Indian Territory	2.93	3.45	3.70
Iowa	3.29	3.37	3.71
Kansas	3.59	2.87	3.44
Kentucky	4.00	3.18	3.94
Louisiana	3.00	4.26	4.01
Maine	3.33	3.70	3.83
Maryland	3.60	4.30	3.15
Massachusetts	3.09	3.62	3.34
Michigan	3.10	3.28	3.66
Minnesota	2.86	2.95	3.52
Mississippi	3.00	3.37	3.62
Missouri	2.64	1.99	2.88
Montana	2.50	2.95	3.16
Nebraska	2.91	4.41	3.93
Nevada	...	...	...
New Hampshire	3.50	3.47	3.19
New Jersey	2.90	3.18	3.11
New Mexico	3.16	3.11	4.00
New York	3.59	3.45	3.38
North Carolina	3.18	3.24	3.89
North Dakota	3.25	3.52	4.32
Ohio	2.99	3.29	3.95
Oklahoma Territory	3.00	3.38	4.03
Oregon	...	3.67	3.00
Pennsylvania	3.24	3.54	2.44
Rhode Island	3.50	3.92	3.85

South Carolina	3.25	4.71	4.01
South Dakota	3.50	3.14	5.06
Tennessee	2.83	3.50	2.99
Texas	3.00	3.29	3.40
Utah	2.50	3.17	...
Vermont	2.83	2.92	2.87
Virginia	3.00	2.88	3.24
Washington	2.75	4.17	2.97
West Virginia	3.10	3.13	2.91
Wisconsin	2.94	3.56	3.88
Wyoming	...	2.50	3.50
Honolulu	...	4.00	...
Dominion of Canada	...	4.00	...

Average rates paid in cities.	1900.	1902.
Boston	$3.56	$3.51
Providence	4.50	3.63
New York	3.63	4.25
Nashville	3.75	3.44
Chicago	3.16	4.06
Buffalo	3.06	3.76
Philadelphia	3.50	3.50
Toledo	3.00	3.35
Cleveland	3.50	3.30

THE PRESIDENT: If there is no objection, the report will be received and placed on file and the committee continued.

The Chair will suggest that inasmuch as the Call of State will take considerable time, and we have four or five very distinguished speakers here, if there is no objection the order will be reversed, and we will call for addresses first. There seems to be no objection. I have the pleasure of introducing to you as the first speaker, Hon. Charles N. Fowler, member of Congress from New Jersey, who will speak to us on the subject of "Asset Currency."

ADDRESS OF HON. CHARLES N. FOWLER, OF NEW JERSEY.

Mr. President, Ladies and Gentlemen—Whatever might happen to a person if he were to make the remark, certainly here I am safe in saying that bankers are good fellows—all good fellows; they are the best men in the country—but I want to say to you that you have come here not as bankers alone. First of all, every person here who comes here representing a bank is a moral being. Secondly, you are here as a citizen, a lover of your country, a patriot. Lastly, and least of all, each of all is here as a banker seeking your self-interests. No one of you at home by conferring with his conscience would waive his manhood on the one side and his citizenship for his position as banker.

Yesterday the president of the Bankers' Association made one or two remarks that might possibly mislead the unthinking, and I have discovered that many of you are here somewhat, if not largely, for a good time, and when you are having a good time you are not thinking all the while.

My friend Mr. Herrick took occasion to remark that "there is in this country no postal savings department to make the national Government the creditor of thrifty wage-earners and others of small means. Here deposits in Savings banks form a very large part of the money used by the banks of discount." Mr. Herrick has the reputation of being the President of a very large Savings bank—he tells me with $41,000,000 of deposits, and that he carries about $4,000,000 of reserve or cash. If you should take his remarks for what they might seem to mean, you would think that he has $40,000,000 of money—but he has not—and he would hate mightily to have people call for $40,000,000 during the coming week.

DIFFERENCE BETWEEN MONEY AND CURRENCY.

There is a vast difference between property, capital, money and currency. When one makes a deposit of a check for $1,000,000 with some bank, he has not turned

over any money; he has turned over the title of $1,000,000 worth of property; that is all. Do not get these terms mixed.

Now, another thought: Money may be currency, but right currency is never money. Money is the touchstone, or should be, of your currency. Currency ought to be of two kinds—the currency of commerce, the checks and the drafts; and the currency of trade, a right bank currency, a note of the bank.

Another thought—for, as the woodchopper in the forest first clears away the underbrush before he strikes at the root of the tree, so I want to remove some of the apparent entanglements that Mr. Herrick would seem to have thrown in my pathway.

Mr. Herrick alluded in his speech to the fact that there had been great failures in Australia, where the banking system was Scotch, both as to currency and branches. That is true, but it was because those banks forgot that their business was a commercial business, and went into the real estate business. The fact that they failed only proves that no good bank, dealing with the commerce of a country, will engage in a real estate business. Mr. Herrick's statement was as if I were to say: John Doe has cattle on his farm, therefore he has no horses.

Another remark. He said we must not deal with fads. Let me assure the gentleman that I am not dealing with fads or fancy, but with facts—facts that the fiat of economic law have carved out.

LACK OF A PROPER RESERVE AGAINST COMMERCIAL CREDITS.

Another assurance that he gave you yesterday was that the gold mines of Johannesburg are now being worked, and that there is no reason to be anxious for the future. Let me say to you, sir (turning to Mr. Herrick), that it would be utterly immaterial to this country whether those mines produced $1,000,000 or $10,000,000 a month or $50,000,000 a month, unless this country has a way of getting the gold. I assert that there is not to-day in the United States a commercial or economic reserve against our vast commercial credits. We are dealing with something more than fads and fancies. I recently used this language: "It may be assumed, without any fear of successful contradiction, that the United States is absolutely without a natural and responsible guardian of an adequate reserve for our commercial credits. Indeed, a step further may be taken, and the assertion confidently made that there is not, economically speaking, a commercial reserve in the United States at all. On the other hand, there is no doubt that there is now more gold in the United States than would be required to constitute such a commercial reserve. But this fact would not protect us against a panic this fall." I used this language last June, and you are having your panic now. "Or even next week, if, for some unforeseen reason, a startling or considerable amount of gold should be taken away from us." A fear that it will be called for now is resting upon this country. The same subtle powers and unseen and unknowable forces that kept and brought only $879,000,000 gold here from 1879 to 1902, notwithstanding the facts that the production of gold in the United States for that period amounted to $995,000,000, and the balance of trade in our favor for the same years, was $4,844,000,000, may silently but surely take away $500,000,000 more or all we have, simply because there is no self-interested and legally required power to protect and prevent it when the drafts come. Is the American memory so short that it does not recall that we had $332,301,356 of gold in the Treasury in September, 1888, and yet were compelled to put into that seemingly bottomless pit $294,164,290 more by February 1896; making a total of $625,515,596 of gold coin that practically went into and out of the Treasury by compulsion during the short space of seven years?

In the light of this experience, is there much ground for jubilation over the fact that there is in the Treasury to-day gold amounting to nearly $600,000,000; when we recall the fact that we do not have the slightest control over its movements and that a still larger amount proved as evanescent and as elusive as a midsummer dream between the years 1889 and 1896? With all our superabundance of gold and matchless prosperity, it is certain that we are living—nay, slumbering—in a fool's paradise, and may almost any moment be suddenly and rudely awakened. We are somewhat awakened now. Because our financial system is only a fair-weather craft, wholly unsuited to carry, in a violent commercial storm. In the years following 1870, and down to 1902, the balance of trade against Great Britain was $26,000,000,000. Yet England had always as much gold as she wanted. During those same years France had a balance of trade against her of $4,000,000,000.

Yet she got all the gold she wanted. During the same years Germany had an advance of trade of more than $4,000,000,000, yet Germany got what gold she wanted. Yet none of these countries produced any gold to speak of. During the past five years—a most wonderful period in the human race in this country—the balance of trade in favor of the United States was $2,700,000,000, and we have produced a vast amount of gold—between $300,000,000 and $400,000,000—making over $3,000,000,000 all told.

Now, if there was anything in the fallacy of the balance of trade, we ought to have, in New York or in the United States, $3,000,000,000 more than we had in 1896; when we had $696,000,000. But how much have we? We have added just $500,000,000; we have now $1,200,000,000. So that there is due from us to Europe $2,500,000,000, yet we are told by bankers in New York, who know the situation best, that we have on the other side anywhere from $1,000,000 to $300,000,000 of loans coming due within the next two or three or four months. How are you going to stop the gold from going when all Europe can go to the Treasury of the United States with a bag and get it without price? If the burden were placed upon the bankers of the United States, as it is upon the Bank of England and the Bank of France, you would place the price of gold every night in the rate of interest, it would control the movement of gold. But there is no such condition in this country, and there will be no such condition until the United States notes are retired and that burden thrown upon the banks.

A WELL-CONSIDERED SCIENTIFIC FINANCIAL SYSTEM NEEDED.

Never was there greater need than we now have of a financial system. We have no system now. It is catch as catch can, and go as you please. The financial system should be built upon principles as unvarying and immutable as the law of gravitation. Eighty millions of the most intelligent, ambitious and energetic people in the world, converting their talent and toil into more than $20,000,000,000 of products every year, which in their swift and ceaseless changing from mine and mill and from forest and farm to the ever-increasing wants of a grandly advancing nation, send the exchanges bounding beyond the $100,000,000,000 mark, are entitled to, need, and must have something more and other than tentative monetary conditions, subject every two years to a party vote, and dependent almost every hour on the caprice or fancy of a Secretary of the Treasury.

The almost immeasurable commerce of this country should be grounded upon and anchored to the world's standard of value, and yet not a single transaction, however small or however great, of the countless trades involved in the whole $120,000,000,000 of exchanges must now be proved in gold coin. Indeed, nowhere does gold bear a direct compulsory relation to the business of the country.

The currency tools of smaller trade, as well as those of the larger commerce, should spring into being with each transaction and return to their source upon the completion of their mission. These instruments of trade should always be equal to the needs of business, and always as good as gold, because convertible into gold upon the demand of the holder. The banks of the country should prove the soundness of their credits by daily gold coin redemptions. Our banking system should be such as to make every dollar of money or credit available at the points where most needed, and that without charge or discount, if we are to have a mechanism of the highest utility, greatest economy, undoubted stability, and the most perfect efficiency.

ASSET CURRENCY NOT AN EXPERIMENT.

Now, with the commerce of this country founded upon a gold basis, we must then proceed to devise a most economical and efficient mechanism for carrying on this business. It is a sort of superstructure, and it cannot be constructed until the foundation is laid. Let me say, by way of anticipating what I know is in the mind of many a person here, that I shall not urge or recommend a currency which has not stood the test of 200 years in England, 100 years in France, and for 60 years of the first history of this country, and 35 years in Germany. So that the man who thinks that I may be alluding to something that is running through his mind, that his father now has "red dog," or any other kind of dog money, is utterly mistaken; for I want to say here and now that though through every part of the United States there was, during the history of this country down to 1860—a period of seventy-three years—tests made of a right currency, in no instance was there an opprobious term used with regard to it, and to study the difficulty

that has at all times, and was set off not only in this country, but on the other side of the Atlantic, though it emanated from American institutions. That is more than can be said of any bank currency or Government currency that is in this country to-day.

Now, I leave this opportunity open; I challenge any man in this audience—he may take until to-morrow to meet the challenge—to point out a single instance in the history of the world where a true credit currency, with proper reservation by law, currently redeemed by kind, ever failed. A bank may have failed, but the system never failed anywhere at any time.

Now, let me put a question to you as a banker, each one taking it to himself. A man comes to your bank and desires to borrow $1,000. To eliminate all question of credit, because we want to agree upon as many things as possible, he says that he has $1,000 Government bonds to secure the loan. When you ask how he will have it, he says, "Place it to my credit." You give him a check book and a pass book. He goes out on the street. To-morrow the same man returns and says he wants to borrow $1,000 upon the same kind of security. You loan it to him. You ask how he will have it. He says, "Place it to my credit," and, starting to leave, he bethinks himself that the use he desires to make of it will require some better credit than his own, and therefore he draws ten checks of $100 each, and turns to the cashier and asks him to certify the ten checks. I will ask any banker here if there is the slightest difference to the bank in these two cases. Is there? No, of course there is not. The next morning the same man comes back and desires to borrow $1,000 upon the same kind of security. You ask him how he will have it. Bethinking himself, he says, "I will take bank notes"—the mere promises to pay of the bank. Is there the slightest difference between the account subject to check, the certified checks of the Cashier, and the bank notes that you have given the man?

A. J. Frame, of Waukesha, Wis.: Yes, there is.

Mr. Fowler: Are you not liable simply for $1,000 in each case?

Mr. Frame: I beg to call your attention to the fact that in the second case the government is liable.

Mr. Fowler (continuing): I am not speaking of side issues now. Let us stick to the text. The bank is liable for $1,000 in each case, and that is all there is to it. Supposing the banks, as now, had the right to issue 100 per cent. of such currency, do you believe that such an issue would be dangerous? Do you believe that it would amount to inflation? Don't take my statement for it, but let me call your attention to experience. Mark this: France has a permissible issue of $1,000,000,000 of notes, but the amount that France has out is only $814,000,000.

Germany could issue $464,000,000, but has only out $332,000,000. Scotland could issue $148,000,000, but has out only $40,000,000. The First United States Bank could have issued $10,000,000, but its highest point was $5,000,000. The Second United States Bank could have issued $50,000,000, but its highest point was $23,000,000. The Bank of Indiana could have issued $10,000,000, but it had out only $4,000,000. The Bank of Iowa, $2,000,000, and only had out $1,000,000. In New England the Suffolk system of six different States with 500 banks could have issued $122,000,000 and only had out $44,000,000 at the end of its period. The Canadian banks have the right to issue $65,000,000, and the highest point reached last year was $57,000,000.

ELASTICITY OF THE CANADIAN CURRENCY.

Now, I want to call your attention to a little history running back from 1897 to the present time, in the Canadian Bank system. In 1897, in January, it was $30,000,000; in October, $41,000,000. In 1898 it was $35,000,000, in January; in October, $42,000,000. In 1899, in January, $36,000,000; in October, $49,000,000.. In 1900, in January, $41,000,000; in October, $53,000,000. In 1901, in January, $45,000,000; in October, $57,000,000. I have not October for 1902, but you will notice that every year there was the same proportionate increase, although the amount of business generally was rising. This will explain the operation of that currency. (At this point Mr. Fowler displayed a diagram.)

You will notice that every year when the crops had to be moved in Canada, that that currency came out, and it came out just once a year.

I have given you the figures, and here is a diagram built upon those figures.

In October there was that natural increase, in 1894; and then in October of the next year.

Canada is an agricultural country, and the increase of the currency came always in the fall, because there was no time in the year besides that when there was a particular call for currency. (Displaying another diagram.)

In Scotland there are two periods of time when money comes out. They have settlement days, as they call them: the first of May and the first of November. Now, you will notice that this same currency came out in May, and again in November, came out in May and still once more in November. Then it went back again to its normal condition to meet the actual needs of the people. There is a case where it came out twice a year to meet the demands of trade. (Exhibiting another diagram.)

In Germany there are settlement days every quarter. You will notice here with what accuracy this currency came out every three months to meet the trade conditions of Germany.

Gentlemen, these are facts—not fads, not fancy. But the same imperial law of economics determines the control and the movement of this currency every time. Bear that in mind.

Now, I will show you one diagram where we have displayed a splendid display of elasticity. (Producing another diagram.)

A Delegate: Won't you put that up on the table where we can all see it.

Mr. Fowler: Do you want them all set up?

A Delegate: No, that one will do.

Mr. Fowler (continuing): Let me tell you one fact about this diagram. You see there is a bend here. (Indicating.) Do you know what caused that? The bankers were speculating in bonds. That is what made that bend. Every time there was a chance to speculate in bonds you will see a little bend in the currency line in our system.

I think now that I have probably satisfied every frank man in this house, assuming that these things are telling the truth, that there is a vast difference between our currency and the currency of every other civilized nation. I pointed out to you some time ago, in giving you the figures, that while there was a maximum opportunity to issue currency, it never reached the maximum; it kept right where the business demands of the country held it.

SAFETY OF THE SUFFOLK SYSTEM.

Now, a word with regard to the safety. Speaking of the Suffolk system—and I am reading now from my own remarks heretofore made:

"When the soundness of this system is tested by a comparison with the National system of to-day, the result more than justifies the assertion that the former was incomparably the better."

Be honest with yourselves, my fellow bankers. Don't play hide-and-seek with your manhood or your citizenship.

"For, when you compare the conditions during the twenty years from 1844 to 1860 with those of the past thirty years, all must admit that argument is futile and the conclusion inevitable that the former was better."

Now, I want to say there are many people here who do not study this subject and especially to the ladies—and I am always anxious to have the ladies on my side, because I know that with God and the ladies, I am sure to win, and the ladies are more anxious for elastic currency than the men are.

The Suffolk system was a system of banks in six of the New England States that existed for many years prior to the war, and it was a system that grew up in each State by itself; there was no uniform law in all of the States. I am now going to read about what happened, simply to tell the natural growth of that system and the intelligent operation of a banking mind upon the commerce of New England. Mark this, that while a tax of one-eighth of one per cent. on all the notes in circulation would have paid all the notes of failed banks from 1840 to 1860, it would have taken a tax of one-fifth of one per cent. on all notes out to pay the notes of the failed National banks. Nor is this all. The Suffolk system greatly lowered the rates of interest, and thereby advanced the welfare of labor and brought a larger return to the producers through New England.

In 1844, the Commissioner of Banks of the State of Connecticut used this language:

"It has been impossible for the banks of discount to find use for all their means in discounting good paper, and some, having the largest capital, have reduced the rate of interest in a few instances to five, four, and even three per cent."

Gentlemen, we are progressing. Some of us are paying two per cent. a month.

If the rate of three per cent. was reached in 1844, what ought it to be to-day with our vastly increased capital in the banking business? But the fact is that we have the most expensive system in the world, which, if persisted in, may drive us from the coveted fields of the world's commerce. This system was tried in New York State. It was tried in Virginia. It was tried in Connecticut. It was tried in Missouri. It was tried in Ohio. It was tried in Indiana. It was tried in Iowa. Then, right in this old State where we are meeting to-day, they had a banking system before the war of this very kind. And mark you, there was no limit of the note issue at all. A bank could issue as many notes as it pleased, if it would secure a coin reserve of thirty-three per cent. And so good was that banking system that after the war had been waged a considerable time, Mr. Horace White—to whom a monument ought to be erected before he is dead—tells us that when General Butler marched into this city your banks were redeeming their notes in gold coin.

What about the United States Bank? Read the words of James Parton, the eulogist of General Jackson.

"If bank notes were as good as gold in every part of the country from Maine to Georgia, from Georgia to Astoria, a man could travel and pass these notes at every point without discussion. Nay, in Sweden, Paris, Rome, Cairo, St. Petersburg, the bank notes were worth a fraction more or less than full value at home, according to the current rate of exchange. They could usually be sold at a premium at homogeneous commercial centres."

PROPOSED GUARANTY FUND FULLY ADEQUATE TO INSURE SAFETY.

Is there anybody in this audience now, after this array of facts, that doubts the safety of this kind of a note?

A DELEGATE: Yes.

Mr. Fowler (continuing): I am surprised. Let me add just this one matter of detail—and this is the first and only time during my remarks that I shall in any way allude to legislation or to any particulars, as I am desirous to deal only with principles. A bill was introduced into Congress that there should be a guarantee fund of five per cent. to protect these notes. Let me call your attention to what that would mean, as to our present system—a guarantee fund of five per cent. I went to the Comptroller of the Currency, to whom I shall pay my respects a little later on, and I asked for some detailed information, which he gave me with as much courtesy as any man could, for he is one of the best men in the world; and I want to give you the benefit of that investigation. I asked him to give me the detailed information which would show what would have happened if every United States bond which was placed behind these National bank notes had been completely lost; how much of a tax it would have taken to protect the notes—and I want to read to you now what the conclusion was———

CHARLES G. DAWES, of Chicago: Let me ask you a question right there, Mr. Fowler, for my information. Is this upon the assumption that there was a first lien in favor of the noteholder, in estimating the tax?

Mr. Fowler (continuing): I will come to that in a moment; I am dealing with it both ways.

A detailed report furnished by the Comptroller of the Currency, covering every National bank, discloses the fact that a tax of twenty one-hundredths of one per cent. would have paid in full all the notes of the failed banks.

That is without a first lien.

This investigation discloses further that if all the United States bonds which had been deposited to secure the payment of the National Bank notes from the very inception of the system down to 1902 had been lost and the notes had been a first lien upon the assets of the respective banks, provided by this bill, a tax of eight one-thousandths of one per cent. per annum upon the outstanding circu-

lation from year to year would have paid all the notes not paid out of the assets. And, indeed, there have been only thirty cases in which the notes would not have been paid in full out of the assets.

Upon such a showing no one will deny that if there had been a guarantee fund of five per cent. deposited with the nation, the notes in circulation protected to the noteholder would have been much more than that. Mark this—"that if all the United States bonds deposited to secure circulation had been lost, the five per cent. guarantee fund would have been 625 times as much as the annual tax required to redeem the notes of the failed bank." Again: "The tax of one-eighth of one per cent. per annum would have been sixteen times larger every year than necessary to insure the payment of the notes."

Now, does my friend who says he doubted the safety of the note still doubt that those notes would be safe when five per cent. would last 625 years? Is he satisfied now? The bill further provided that the accumulative funds should reach ten per cent. So that, when you reach the maximum of the amount, we have a guarantee fund that would last 1,250 years, which would go as far as any man or woman here would need it.

Now, about our present currency. I assert that it has no relation whatever to the commerce of the country, and that speaks louder than any words I can utter. For every vibration of that line (indicating a line on one of the diagrams) you will find is the result of the purchase or sale of bonds. Let me call your attention to one fact. From 1881 to 1890, a period of nine years, because the profit in bonds was off, the National banks of this country, while our business was increasing, reduced their circulating notes from $320,000,000 down to $122,000,000, or restricted them $200,000,000. Therefore, I assert without any fear of contradiction—successful contradiction, I mean, for men in their enthusiasm contradict a great many things—but I have said without any fear of successful contradiction and proof, that the fluctuation in the currency bears no distinct relation to the business of this country, except that it happens to be in the business of the country; that is all.

PRESENT CURRENCY IS EXPENSIVE.

Now, it is an expensive currency. I think I have proved, beyond the peradventure of a doubt, that the currency to which I refer is elastic and that it responds to the demands of business. I think I have shown that it will answer, if you did not even have a reserve fund—if you had the first lien—but with the reserve fund that covers 1,200 years it is certainly safe. I say that when you can use such an economical instrument of trade, it is idle and wasteful to use the instruments of trade that are expensive. When a man comes in to you to make a loan, you ask him what he will have, and he says currency; what do you give him? You pay out to him, we will say, gold. You have delivered to him one thousand dollars of property. You, as a banker, have paid one thousand dollars of property, of capital, for that one thousand dollars of gold. If, instead of the gold—for I know now that you appreciate the truth of that statement—you push out National bank notes, you push out to him one thousand dollars of property, because you paid property of a thousand dollars' value for the one thousand dollars note, and more than that—ten per cent. premium. You paid $1,100 practically for the cheapest of the bonds. Now, what have you got to charge the man for? You have got to charge him for the property he is using; you have got to charge him for insuring his credit, and you have got to charge him for doing the work in the bank.

In other words, if a man goes to a livery stable and says he wants to go horse-back riding, the proprietor of the stable says to him: "I cannot let you have a horse to go riding with; you must take two horses and a wagon;" and the man says: "I don't want two horses and a wagon." But the livery man insists, "You must take two horses, because the law says so." Now, what has he got to pay for? Instead of paying the livery-stable keeper for the horse that would serve his purpose a great deal better, he has got to pay for the span of horses and a wagon—all because the law says so.

Let me go just one step further, and imagine, if you please, that in the course of a few years we have more than 79,000,000 of people—we have 100,000,000 of people—and that the present per capita circulation continues at $30, and we have in this country $3,000,000,000 worth of money and currency. Let no man or no woman go away from this hall without two distinct ideas—one money and the other currency. We have $3,000,000,000 of money and currency. If we go on as we are going on, the whole $3,000,000,000 must represent actual property. A certain

portion of it should represent property—just enough of it to put the test to the currency and to the rest of your credit every day in the year; just that much and no more.

Now, I imagine if you just have the right kind of a financial system you would have about $1,500,000,000 of money and small change, gold and the subsidiary coinage, and $1,500,000,000 of bank notes. What does that mean? It means a saving to the American people of no less than one to two and a half per cent. on $1,500,000,000 every year—twice the interest on the national debt. Are you for saving it? Or are you for spending it?

Now, my friends, I have finished with the subject of currency, and I have more than used up my time. I wanted to say something upon international banking and a banking system, but I shall not encroach upon the time of the gentlemen who are to follow me, for I would rather do what I do, as far as I go, well, than only to half do it. Whether I have succeeded or not with regard to credit currency, I will leave you to decide. If the gentlemen here will give me fifteen minutes, I will briefly say something about branch banks.

(Cries of "Go on, go on.")

I am for an international banking system. I want to see in every market of the world a representative of an American banking institution. I recognize the fact that we must look for markets abroad. The prophetic mind of William McKinley foresaw this, in his last and greatest speech, at Buffalo. Last year, February 20th, every twelfth man in the country was manufacturing goods sold beyond our borders. If we go on following up our resources, taking advantage of the genius and discovery of the American mind, and all its productive energies, soon it will be every sixth man working upon commodities that will be sold beyond the borders of our land. How are you going to keep them at work? The most potential influence that can be brought to bear upon that problem is the representative of an American Banking Institution in every market of the world where goods are bought and sold for export and import! As an American, I want to see the time when New York city, and not London, shall become the Exchange market of the world. I want to see every bit of exchange that comes for goods coming in, or for goods going out, written in dollars and cents and not in pounds, shillings and pence. I want to see the signet of the American Eagle upon it, and not the lion and the unicorn. I want to know that when the pittance is paid for exchange it goes over a bank counter where the English language is spoken with the American accent. For what do we live? Production and a consumption of commodities. That is the problem of civilization—to make the production as cheap as possible, in order that the articles that the American citizens buy can be bought as cheaply as possible. American production and consumption do not exist for the railroads, but the railroads exist for American production and consumption. American production and consumption do not exist and are not carried on for the benefit of the banks, but the banks exist for the benefit of production and consumption. We are fighting the great battle of civilization in this country, the battle of higher and higher wages, and cheaper and cheaper commodities. Now, will anybody say that it is not his duty as a man and a citizen to see to it that if they have the power they will reduce the cost of production to the lowest possible point? Let us take, if you please, a railway, the great New York Central Railroad, or the Pennsylvania Railroad, from New York to Chicago. They are the products of the time in which we live; four great one-hundred pound rails, one hundred-ton engine, one hundred cars in a train, air brake! The result, half a cent per ton per mile! A blessing or a curse to the American people? Can you see any difference in such a system of traffic in commodities of the United States and a corresponding traffic in the title to those commodities? One hundred miles north of New York, or less, you can assume that there is a bank with a million dollars of deposits. Its customers borrow $500,000, and it charges them six per cent. always. The banker takes $500,000 of their deposit and goes down to New York and buys three and four per cent. paper. Is that a blessing to the people of that town? A banker in Kansas, where the banks have agreed to maintain an eight per cent. rate, takes the deposits of the people and goes to Kansas City or Chicago and uses the money and buys paper for three and four per cent. Is that a blessing to the people of Kansas? A bank that could, within an hour's time, without cost or charge to anyone, be located wherever you please, there might be hundreds of them in this country, receiving a deposit, at a town on the Hudson or at a town in Kansas, or in Chicago, or New York, in Shreveport or

in New York, could accommodate the borrower in Kansas at the same rate that his brother is getting in New York, Boston, or Chicago. In other words, if the banks of those cities had branches in those little towns, they could give the people the benefit of the same rates that their brethren in Chicago, New York, or Boston enjoy.

I do not get your applause now, but I have your mind; you are convinced, and I know it, because I have respect both for your intelligence and for the honesty of the average American citizen, and you are the best species of them.

You rail, my friends, at a trades union that meets to-night in Shreveport or New York, because the trades union by vote declares that a man shall lay only 100 brick in a day, and you say that is stealing. You say more. You say that it destroys the American citizen, strikes at his liberties, and strikes a death blow at the American idea. You are right. But when you stand up in your bank, uniting with your brother banks in a town, and sell their credit in another town at three per cent. and hold them up for eight per cent., what are you doing?

A. J. Frame, of Waukesha, Wis.: Up our way we are loaning money at five per cent. every day in the week.

Mr. Fowler: Yours, then, is an exceptional case.

A Delegate: Have you seen one of these circulars this morning which has been circulated around through the hall?

Mr Fowler: I think I have.

The Delegate: I would like to have you answer that circular in a minute if you will.

Mr. Fowler (continuing): Oh, I think I have answered everything that I have heard of around this town since I have been here.

Now, before I sit down—time goes so when you are serving your country, and I don't often get a chance to serve it as well as I am now—I want to say a word about my friend Ridgely.

Yesterday my friend Ridgely, whom I love, and the Lord loveth whom he chasteneth, said: "I believe in branch banking." He was right. "Theoretically it is the best system, as it is more economical, more efficient, will serve its customers better, and the organization can be such as to secure in most respects better management."

"Owing to co-operation between its branches, it can be made safer than any system of independent banks."

He is absolutely right and surpasses me in statement.

"If I were outlining a new system for a country in which there was none, I would adopt this system; and I regret that it was not adopted or permitted in the beginning of the National banking system. I believe the National banks would be stronger and better to-day if branches had been permitted and the system had been developed with the branch feature an essential part of it. If this had been done the currency would doubtless have been made more elastic before now. If it had not, it would be easier now to do so with a system of large banks with numerous branches. Our system, however, was started on the other plan."

Was it ever started at all? I assert that the banking system never was started at all. They started a scheme for floating the national debt that the banks drew up.

"All its growth has been in the other direction. Our people know the independent home bank and the banker."

Don't you think you would still have the home bank and the home banker, and that ever-swelling affection he holds for the people around him? Going about seeking whom he may devour, leading them in that way?

"It is too radical a change for the bank, the banker, and the customer, to introduce at this late day. I do not think it would be wise to make such a change now, if it could be done."

Now, here is the astounding proposition:

"I most emphatically believe it will not and cannot be done. The majority of bankers, the majority of the people, are against it."

How do you know that? (turning to Mr. Ridgely).

A banker said to me a short time ago: "Don't you know, Mr. Fowler, that

five thousand bankers are against you?" I replied: "I do; but I know, on the other hand, that there are five million others for me."

Mr. RIDGELY: How do you know that?

Mr. Fowler (continuing): I know that the intelligence of the American people will demand it, when they find out about it. Now, this is the jewel:

"They will see that the majority of Congress are against it."

When I entered Congress I saw a Republican party and a Democratic party massed against the gold standard. I remember the time when we were 106 Republican majority, and only three men stood up and declared in favor of the single gold standard. I have lived long enough to see every man, woman and child in favor of the gold standard. Is it a proper place for a man in public life to be looking over his shoulders and wondering what the people are saying, when he knows he has a duty to perform? What would have happened to the world if it had been made of such stuff as that? Why, if I did not know Ridgely as well as I do, I would think he wanted to run for Congress or was a candidate for the United States Senate.

We are in a great transition. The banking interests of our country are not keeping pace with the other gigantic changes that are going on in the commercial world, and if here and there some indications are apparent of their effort, it will be observed that these attempts are wholly handicapped by the heavy restrictions only to be met by interest charges on our producers. Further, to-day we have but to look around us and behold the power, effectiveness, and immeasurable advantages of the conservation of forces, the union of elements, the combination of factors, and the almost incomprehensible elimination of manual labor in the evolution of our material civilization.

It is hardly more than yesterday when it took twenty-five men to do the work of one man of to-day in sowing and reaping grain; fifty-five men to do the work of one man in making watches; 242 men to spin the yarn for gingham worsted now spun by one employee; 333 men to make the horseshoe nails to-day turned out by a boy, and 44,491 men to produce as many screw posts as the single toiler is making now.

The typesetting machine, under a single hand, takes the place of five men; while the printing press, watched by a single eye, surpasses the product of sixteen skilful hands of yesterday.

In thirty minutes 150 tons of ore are lifted from the hold of a ship to the waiting cars.

The fifty-pound iron rail has been replaced by the 100-pound rail. The single track has demonstrated the need of four tracks. The thirty-ton locomotive of miniature proportions has disappeared, and in its stead has come the giant of eighty tons, only in its turn to give way to the still more wonderful giants, one weighing 134 tons now being built.

The ships that lay at anchor when yesterday's sun went down were of but 3,000 tons burden; to-day they are fivefold as large; to-morrow from our great Pacific coast will spring a monster of 21,000 tons, or seven times the size of the playthings tossed upon the waves in 1870.

Soon a mighty fleet of twenty-five ships, each of 21,000 tons burden, will be plying the waters of the Pacific, carrying from our shores in each bottom 2,500 carloads, and distributing every week upon the average 100,000 tons of the product of our farms and factories to the uttermost parts of the earth.

While the law of co-ordination, unification, and economic operation has made this age the wonder of the ages, and our own country has surpassed all others in marvelous achievements in all other directions, our banking system alone remains a monument of what we were in all things prior to this glorious development of which we boast.

Hardly a single financial or currency law graces our statute books that has been the result of cool, clear, dispassionate calculation and economic reasoning; but nearly all of them have sprung from the necessity of war, political purpose, or the shock incident to some commercial convulsion.

The result is that the banking business of the country is conducted in a most wasteful way, with machinery utterly inadequate to provide for the business at hand, and wholly unsuited to successfully withstand the storms of expanded credits and keep the debtors in safety while contraction rages and panics prey upon prices.

At the very time when banks should be of the greatest assistance, our 12,000

integrated, so-called independent banks become the most dependent weaklings and destructive forces in the business organization. Each individual institution, conscious that all its creditors know its weakness, begins the desperate struggle of self-preservation, and ruinous liquidation follows.

With what truth did George S. Pallain, Manager of the Bank of France, say to me: "In all crises small banks feed on commerce, but great banks feed commerce."

BANKING SYSTEM SHOULD BE STRENGTHENED.

We might, if we would, learn a very important lesson from the great bridge now building over the East River between New York and Brooklyn. A single wire with a favoring breeze might float a kite over that waterway. But 8,000 wires bound together into a mighty cable nineteen inches thick will, with its four fellows, sustain a gigantic structure 118 feet wide, over a single span of 1,600 feet, furnishing a thoroughfare for hundreds and thousands of people to walk or ride, without a thought of its strength and weakness, because it outstrips the comprehension in its ability to sustain the burdens thrown upon it.

This should be the relation of our banking power to our business interests. But, if we are to continue the present restrictions, and by force of law limit their individual operation to a single town, the banks will never get beyond the single wire in strength which with difficulty sustains a single kite even with a favoring wind.

Again, those mighty four cables, containing only 32,000 wires, because combined are vastly stronger than a million or any countless number of wires stretched separately across the same expanse, each barely able to carry its own weight, to say nothing of sustaining and supporting almost immeasurable burdens.

One of the rules most essential to safe banking and sound business is that each individual or corporation shall have but a single account or banking relation, a principle which can find no recognition in our day, because the miniature affairs we call banks in no way correspond to the business of our times.

This is a period of great undertaking, and the young man with business perspective and large comprehension has comparatively little chance to consummate his purposes, because our laws prevent, with arbitrary prohibitions, the co-ordination of our banking facilities to our business opportunities and requirements.

At the very threshold of our business necessities we are met by the cry that a large banking capital will be dangerous to our liberties—a mere hobgoblin, born of the seething brain of the demagogue, seeking to prey upon the fear of the people.

The Pennsylvania Railroad has a capital of $202,200,800, and the New York Central a capital of $115,000,000. Does any sane man think that they will be dangerous to the liberties of the people?

These, and twenty other great railway lines, have given us by far the cheapest and incomparably the best passenger service in the world. They have reduced our freight rates to a point one-half that of the lowest of any in the world, being as low as 0.469 of one cent, or less than one-half of one cent., for carrying one ton one mile. They are bringing from Minneapolis, the great flour market of the world, to the toilers of New York, a loaf of bread for one-sixth of one cent.

Oh, what a curse these giant railways have been to the great producing States of the West! Oh, what a curse to the toiling millions of the East, by making it possible for each section to do the very best and most for itself!

The great ship lines, with various amounts of capital reaching $170,000,000, have provided floating homes for travellers—a single ship, costing $3,200,000, carrying 4,850 tons of coal to push its mighty engines of 35,000 horse-power twenty-two knots per hour, while 600 persons are employed and busy in caring for this little floating world.

But the other day a vessel from New Zealand arrived at Southampton, and from its refrigerated apartments there was taken 77,000 carcasses of sheep, as fresh as the day they left the dock, a month before.

Herds of cattle leave their grazing ground in the far West, take ship at some seaport on the Atlantic coast, and in a week are turned out to fatten in merry old England preparatory to the sacrifice.

Since 1870 the ocean freights have fallen and fallen, until now they are about one-quarter of what they were then.

Oh, what a curse these gigantic steamship lines have been to the American people! How they have threatened their liberty! How they have enslaved them with opportunities to be industrious, strive, struggle, and win gloriously.

All these things have been made possible only by the conservation of energy in the form of combined capital.

In banking alone are we struggling with a discredited system which bears the horrible scars of at least a score of tragedies of political origin.

Shall we not bring harmony between banking and business; bring strength, confidence, power, and a permanent condition to the national Treasury; bring to an almost limitless trade fit tools with which to do its delicate, intricate, and important work; and, last of all, so co-ordinate the broken and fragmentary parts of our credit device as to insure the preservation of every solvent business, every profitable plan, every worthy purpose, while the contraction of credit may now and then put to the test the commercial soundness of the country.

Mr. President, and ladies and gentlemen, I want to apologize to every speaker who will follow me for taking so much time. I will not apologize to this audience, but you have my most sincere thanks.

THE PRESIDENT: Gentlemen, I now present to you Hon. Charles G. Dawes, ex-Comptroller of the Currency of the United States.

ASSET CURRENCY AND BRANCH BANKING.—ADDRESS OF HON. CHARLES G. DAWES.

Mr. President and Gentlemen—I am one of the unconvinced members of this audience, who, reckless as it may seem to my very distinguished friend Mr. Fowler, believe that a system of asset currency such as is provided for by the present plan, subject only to a nominal tax, cannot at this time be safely introduced as a permanent part of our circulation without injuring confidence in the stability of our medium of exchange, upon which confidence all the prosperity of the country rests.

But first I want to say that those of us who at this time are opposed to asset currency as provided for in these plans, do not maintain that our present system has no defects. We realize that we have an inelastic currency, and the necessity of introducing some element of elasticity into our currency. We have known and have heard for years arguments for and against branch banking. Not as political economists, but as bankers and business men, we insist that these plans be subjected to business reasoning, and that we be convinced that this currency is safe, and that we would not be introducing at this time, when we have built up confidence at considerable cost, any element of uncertainty in the value of the medium of exchange in the terms of which all our business is made.

(Mr. Dawes then proceeded with his printed address.)

Financial reforms in the United States, with its vast population and diversified interests, are, as they should be, a matter of evolution. Public sentiment is the factor which, in matters affecting all classes of the people, determines the trend of legislation in representing government. A general public perception of the need of reform in our currency laws will lead as a rule to corrective legislation, provided our law-makers and currency reformers will advocate practical plans which are not so radical as to be at variance with and in advance of public sentiment. Whatever may be our individual theories as bankers as to branch banking, reform of the present sub-Treasury system, and asset and emergency circulation, we should view with distrust and apprehension as practical men the extremely radical and comprehensive measures suggested at the present time, covering not only asset and emergency circulation, but branch banking and sub-Treasury changes as well. The currency reformer should ask himself, what are those simple propositions out of all the many which have so long been discussed, which the people, not simply the bankers, can unite upon and have incorporated into law? To find what is the best practicable reform at this time, not simply what is best theoretically, should be our purpose as business men. Let us take one step or we may not take any. We had best conclude at the outset that whatever may be the legislative outcome of the universal discussion and public interest relative to the trust question, until Congress settles its mind as to what to do with the question of the relation of the Government to the present great industrial combinations, it is not going to take down the bars and remove the existing restrictions upon branch banking, thus further facilitating the progress of consolidation in the banking interests which is already going on to some extent through other devices than the branch banking system.

Whether branch banking is right or wrong as an economic principle, as practical men we can make up our minds at the outset that the public will have nothing to do now with the branch banking idea, and that to couple it with another measure of currency reform in any plan of legislation will be to injure the chances of both. The most of the arguments for branch banking assume that a community can be as well served by an agent acting at a distance under delegated authority as by an independent local institution possessing full authority and power to pass upon local questions. Now the record of corporation development in the United States indicates that the process of centralization and consolidation which is going on is accompanied by the absorption into head offices of an increasing number of functions formerly exercised by independent institutions. To allow any great latitude or discretion in the making of local loans by the agents of branch banks would result in a diversity of policy inconsistent with the highest success of such institutions. The branch banking system, since it would lessen the number of independent institutions, and therefore the expenses of the banking system, which have to be paid in interest and exchange charges by the community, would, of course, have many advantages. But while it would result in a lessened rate of interest upon certain classes of loans, and in an increased rate of interest paid to attract deposits, it would also result in the consolidation and lessening of the number of individual loans. The tendency would be to curtail the number of small loans where personality and character are elements in the consideration of loan applications by the local banker. The proposition is not sound that if there is a demand for the making of loans to small manufacturing and commercial enterprises and to small borrowers upon personal credit, it would be properly met under a branch banking system by the independent local banks which would remain in the field for that purpose. A bank cannot live on borrowers alone—it must have deposits.

The branch bank, operating under less expense than the independent bank, can take the bulk of the deposits by offering a higher rate of interest to depositors. The growing tendency to pay high rates on deposits is one of the characteristics of the centralization of banking interests already going on in the country. For instance, certain city trust companies are now advertising throughout wide sections of country that they will pay four per cent. on deposits to be remitted by mail. The branch bank, having facilities to loan through the parent bank, and paying higher rates on deposits, will to a large extent drive out of business the local banks irrespective of the needs and demands of small local borrowers who cannot offer loans secured by staples like grain and produce with established cash markets in money centers, in the making of which the personal equation is a small element. This would all be well enough perhaps in the older communities, and for all except the small bankers and borrowing customers of small banks. For the small bankers as bankers I make no special plea. They are not entitled to the protection of the restrictive provisions of law relative to branch banking, unless, in addition to their own interests, the interests of the people of the nation are subserved. The question is a broader one than that of the small banks, and as long as the opponents of branch banking base their claims only upon the alleged right of the local banks to be protected from the competition of the central bank, they will make little impression as against arguments upholding branch banking as securing economies and other benefits to the people as a whole.

Now, what will be the effect upon the public interest of a system which curtails loans to the borrowing customers of this great system of small banks which we have throughout the country and facilitates at their expense the borrowing of money by the great industrial concerns whose headquarters are in the central cities where would exist the chief offices of the central banks under a branch banking system.

Our great Western, Middle and Southern States are as yet undeveloped. And the man who develops a country—the man who starts a little manufacturing industry—who starts a small wholesale business—who starts in a small way to develop the mineral resources of the country—the man, in other words, who goes to work in fields of undeveloped resources, is the very one whose credit is to be curtailed and his chance to found or increase a business injured by the branch banking system. In this country we are leading the world commercially, because under our law and government we have made it our special effort to protect the rights, interests, and opportunities of the individual and of the small enterprise. To the protective tariff system, which kept the flood of foreign competition from our manufacturing interests in their earlier stages, we owe in great part our magnificent industrial development as a nation. The United States has just entered fairly upon the work of developing its almost boundless resources, and we are not

ready as a nation to dispense with the small business man or curtail his opportunities, for that small business man may become a great business man, and in so doing may grow to bring opportunity for employment and accumulation to thousands of our people in towns and territories where now there are but restricted and undeveloped fields of work. And if we are not yet ready to dispense with the man of small enterprises; if, as a nation, we still regard it wise to protect his opportunities, it is better for us to pay the small additional cost of this present great banking system of 15,000 independent banking units as compared with the cost of a branch banking system. Our present banking facilities are well caring for our great industrial concerns. These great combinations seem to be doing well, and it is to the national interest that they prosper. But it is not the large concerns which are suffering these days; it is the small ones. With an increasing public agitation to regulate and curb industrial combinations, which has arisen largely from the feeling that the scope of individual endeavor is being so contracted as to endanger the highest national progress, let us beware how we remove restrictive legislation already on our statute books. Branch banking may come in time, when still further the great process of industrial centralization and national development shall have continued, but it is not time for it now, and from the standpoint of public policy, as bankers and as citizens, we should oppose it at the present time. What we should do now is to consolidate our whole efforts behind some measure for an elastic circulation, the need of which we all feel. In support of such a measure both the friends and opponents of branch banking can unite. Instead of demanding as bankers the passage of a law involving complex and radical changes in financial legislation concerning which there is not even among ourselves any unanimity of opinion, let us ask at this time simply for an emergency circulation which will supply the needed elasticity in our currency to assist us in the crop moving period and in times of panic, waiting until that reform is attained to urge other reforms. Let us now advocate, for the purpose of allowing elasticity to bank note issues to protect the banks and the community in times of panic, a small amount of uncovered notes, in addition to the secured notes, which should be authorized by law under the following limitations: They should be subjected to so heavy a tax that they could not be issued in normal times for the purpose of profit, but would be available in times of emergency. The tax should be so large upon the solvent issuing banks as to provide a fund, which, in connection with the pro rata share of the assets of an insolvent bank, would be sufficient to redeem the notes in full, without necessitating any preference of note holders over depositors of any insolvent issuing bank. The tax should be so large as to force this currency into retirement as soon as the emergency passes. Such a currency could be used only to lessen the evil effects of the too rapid liquidation of credits which are collapsing under a financial panic, but could not be profitably used as a basis of business speculation and inflation. It should be to the business community what the clearing-house certificates are to our cities in times of panic—a remedy for an emergency, not an instrument of current business.

THE PRESIDENT: I desire to present as the next speaker Mr. Horace White, Editor of the New York Evening Post:

ASSETS CURRENCY.—ADDRESS OF HORACE WHITE, EDITOR NEW YORK EVENING POST.

Gentlemen of the Convention—Your executive committee has asked me to say a few words here on the subject of Assets Currency and Branch Banking. My views on the latter subject were presented at some length at a Bankers' Convention in Kansas City a few months ago, and as they were published in several bank periodicals, it would be needless to repeat them now. At Kansas City I spoke in favor of the plan of assets currency proposed by the Indianapolis Monetary Commission four or five years ago. That plan was introduced in the House of Representatives in 1898, but was not brought to a vote or to general debate. A modification of it was introduced in the House by Mr. Lovering of Massachusetts two years later, but was not acted on. A bill embodying the principle of assets currency, but differing in important details from the Indianapolis plan, was reported by the House Committee on Banking and Currency on the 5th of April last. This is known as the Fowler bill. It is the one which now, for the most part, engages the attention of those persons who give any attention to the subject at all.

MEANING OF ASSETS CURRENCY.

Before going further, we had best tell what we mean by assets currency. This is a phrase peculiar to our own country. Properly speaking, all bank notes are assets currency, since their goodness depends upon the assets of the issuing bank. This is true of our own national bank notes, since the bonds deposited in the Treasury as security for them are assets of the issuing bank. So the distinctive feature of assets currency, as we use the term, is that the bank itself holds all the assets on which the goodness of the notes depends, instead of depositing some part of them in the public Treasury. The reason for lodging a portion of them in the Treasury is to guard against loss through bad investment, fraudulent management, or robbery. These banking risks exist always and everywhere. Yet assets currency prevails in all civilized countries except the United States and that part of Great Britain called England. It exists in Scotland and Ireland, as well as on the continent of Europe. Bank notes secured by assets not under the control of the issuing bank are the very rare exception to a general rule.

THE FOWLER BILL.

I shall glance first at the Fowler bill. I am glad that Mr. Fowler is here to speak for his own measure, because he is well equipped for that task. He and I have discussed his plan together, both verbally and in writing. While entertaining a high opinion of his abilities and sympathy with his aims, I have not been able to give entire approval to the details of his measure, and this has been a source of keen regret to me, because we have fought battles together for sound money these many years.

By the first section of the bill a division of banking and currency is established in the Treasury Department under charge of a board of three Comptrollers. There is already a bureau of this kind in the Treasury Department under charge of a single officer. The difference between the one now existing and the one proposed, so far as the bill itself enlightens us, is simply a difference in the number of persons to be consulted in reaching decisions. I can see no more reason for having three Comptrollers of the Currency than for having three Secretaries of the Treasury, but I admit that this is not a very important matter.

BANK LIABILITIES AS BANK RESERVES.

The second section provides that if any national bank shall assume the current redemption of an amount of United States notes equal to twenty per cent. of its paid capital, it shall have the right to issue circulating notes, not secured by United States bonds—to issue them at various times, in varying amounts and at varying rates of taxation. I shall not occupy your time with the details of issue. If a bank with a capital of $100,000 shall assume the current redemption of $20,000 of the existing greenbacks, it shall have the right to issue, at certain intervals of time, $100,000 of its own circulating notes, but all the notes above $60,000 are styled emergency circulation, and are made subject to a tax heavy enough to make it certain that they will be issued only in time of trouble, and will be retired as soon as the emergency passes away. In order to identify the United States notes, that each bank shall currently redeem, they must be stamped on their backs with the name and promise of the particular bank. So, if all the banks should join in the arrangement, there would be upwards of four thousand particular lots of greenbacks in the country. They might be in circulation, or they might be in the bank's reserves, or in both. It is doubtless the intention of Mr. Fowler that they shall be mostly in the vaults of the banks responsible for them, and thus it would come to pass that the bank reserves would be composed of bank liabilities to the extent that these stamped greenbacks were held by them. I confess I do not know what the effect of such an arrangement would be in a time of great stringency, when the banks should be compelled to pay out their reserves, or in case of a large exportation of gold. The Government's responsibility for these notes is not changed by the bill. It must still redeem them on demand, but, having done so, it may demand redemption of them again by the bank. Thus, in an imaginable case, there would be a stream of stamped greenbacks issuing from the banks, flowing to the Treasury, and back to the banks, and being redeemed twice in the circuit, and then repeating the circuit. If gold were wanted for export, this would be the most likely method of obtaining it, since by presenting the notes en bloc to the Treasury the holders would be spared the trouble of sorting them. But, as I said before, I do

not know what would be the consequence of having the banks' reserves composed in part of their own liabilities, and I do not venture to make predictions. The plan might work well, or it might not.

RETIRING THE GREENBACKS.

Each of the banks entering into this arrangement is required to present to the Treasury its quota of United States notes to be stamped as aforesaid, and at the same time to present one-half as many more to be redeemed by the Treasury and cancelled. The capital of all the national banks will soon reach $700,000,000. If all should enter into the arrangement the amount of greenbacks endorsed would be $140,000,000, and of those redeemed and cancelled $70,000,000, leaving $146,000,000 outstanding. The amount of gold in the redemption division of the Treasury would thus be reduced to $80,000,000, and under existing law the Secretary of the Treasury would be obliged to restore it to $150,000,000. The bill provides that when the banks shall have assumed the current redemption of $130,000,000 of United States notes no National bank shall pay out any greenbacks not endorsed, but shall present them to the Treasury for redemption as fast as they are received in the course of business, and when redeemed they shall be cancelled.

Thus, if the bill were enacted, and if the banks should avail themselves of their privileges under it, three-fifths of the greenbacks would, after a while, be retired and cancelled, and the other two-fifths would be locked up in the bank reserves. To those who think, as I do, that all of them ought to be retired and the Government taken out of the banking business wholly, this arrangement is objectionable only because it adopts circuitous and dilatory and roundabout, instead of plain and direct, methods. Why should the banks "currently redeem" notes which they never issued? Why should not the Government redeem, both currently and finally, notes which it has issued, and for which it has received value, and which it is abundantly able to redeem? The answer to these questions is found in the report accompanying the bill. It tells us that one of the purposes of the bill is "to protect the national credit against assault through the demand obligations of the Government, by completely relieving the Treasury at once of a burden amounting to more than seven hundred millions." Protecting the national credit against assault, as the phrase is here used, means preventing the holders of greenbacks from presenting them for redemption. There are only two conditions under which the public will present greenbacks for redemption. One is where there is a legitimate trade-balance calling for gold for export. The other is where fear exists in the public mind that the Government may be either unable or unwilling to redeem its greenbacks.

In the former event the trade-balance must be paid anyhow. Such balances are relatively small, and it is desirable that the Government, rather than the banks, should furnish the amount needed; first, because the Government, not the banks, owes the money which the greenbacks call for; second, because every dollar of gold taken from the banks depletes their reserves and lessens, by as much as four dollars, thir ability to make advances to the business community.

In the other event—that is, in the case of a panic, neither this measure nor any other can prevent a run on the Treasury for gold, since the Government is the ultimate sponsor for every outstanding greenback, whether they are stamped or not. The bank depositors, if they are really alarmed, as they were in 1893-6, will possess themselves of the stamped greenbacks and present them to the Treasury for redemption. Moreover, the Government ought not to be relieved of the necessity of redeeming its demand notes. The onus of redemption ought to be kept constantly upon it. Nations learn wisdom by experience. They seldom learn financial wisdom in any other school. The repeal of the Sherman silver act was brought about by acute suffering. President Cleveland might have lectured Congress till he was black in the face; he could not have accomplished the purpose for which he called the extra session in 1893, had not bankruptcy been wielding its lash in business circles all over the country. If you want the greenbacks to continue as a permanent feature of our currency system, just devise some way to protect the Government from the necessity of redeeming them. If you want to get rid of them you must keep public opinion in a state of anxiety respecting them. I want to get rid of of them as soon as possible, because they are political money; and any political party that may hereafter find itself in power at Washington may increase the amount to a billion dollars, or any other sum. I can remember a time, not so very long ago, when a political platform demanded that the volume of money should be made "equal to the wants of trade." What did that mean? It meant that the

Government's printing press should be put in motion and kept going until everybody had as many legal-tender notes as he wanted. You may say that the time for such folly has long since passed away. I should be glad to think so, but I have heard as great follies as that advocated on the stump within sixty days, in connection with the coal strike in Pennsylvania. The danger of greenback inflation will last as long as the greenback itself lasts. When it disappears it will be gradually forgotten, like the Continental currency and the Confederate currency, but while it exists it will be an ever-present suggestion and impulse to financial madness.

The bill we are considering has a plan for the eventual retirement and cancellation of the greenbacks. I have already referred to the clause for the redemption, by the Government, of one-half as many greenbacks as the banks assume to "currently redeem"; also the clause which requires the banks to present to the Treasury for redemption all the unstamped greenbacks that they receive in the course of business. There is a method also for eventually retiring the stamped greenbacks. It is somewhat intricate. A safety fund equal to five per cent. of all outstanding bank notes is established in the Treasury for the redemption of failed bank notes. Into this fund is paid also the tax on banknote circulation and the interest received by the Treasury on deposits of public money in the banks. Whenever the accumulations of this fund from all sources exceed ten per cent. of the amount of national bank notes existing, the excess shall be applied to the redemption and cancellation of stamped greenbacks, beginning with those last stamped, and proceeding backward in the reverse order of their assumption by the banks. I suppose that the stamped notes would be redeemed by this process at some time, the tax on note circulation being continuous and the duration of the Government (as we hope) eternal, but at what time this result would be reached no man can say. No man can say how many banks would come into the arrangement at all.

FEDERAL CLEARING-HOUSES.

The bill provides that the United States shall be divided into clearing-house districts, and that each district shall contain one clearing-house, whose charter, to run twenty years, shall be granted by the board of control. They are to effect clearings between banks, and perform "such other business and service as said board of control may approve." A clearing-house is defined by Mr. James G. Cannon as "a device to simplify and facilitate the daily exchange of items, and settlement of balances among the banks, and a medium for united action upon all questions affecting their mutual welfare." It is a voluntary association, hampered by no rules except those of its own making, and these it can abrogate or change at its own pleasure. Upon this liberty of action its efficiency depends. It is now proposed to make the clearing-houses chartered institutions, subject to a board of control in Washington, and also subject to the process of the courts of law. Each bank will have its own twenty-year charter, and will be a partner in another twenty-year charter—that of the clearing-house of its district. This looks like a very complicated scheme, but the greatest objection to it is that it cripples the powers of the clearing-house to take immediate action in any given case. Suppose that the clearing-house committee desires to issue loan certificates in an emergency. The board of control may not think the emergency sufficiently grave to warrant such a step. Or, some bank in the clearing-house district may object, and apply for an injunction to prevent it. Under present conditions, too, the clearing-house committee can suspend any member for any reason it deems sufficient. The nature of such business requires prompt decision, but if the clearing-house becomes a chartered company, any bank may appeal to the courts whenever any action is taken that is not to its liking, and thus cause delay. But the acts of the clearing-house are generally such as do not admit of delay. If they are not put in force at once they are of no use. The only chartered clearing-house that I ever heard of was the Gold Exchange Bank, which was incorporated under the law of New York in 1867, in order to facilitate the business of buying and selling gold, during the suspension of specie payments. Its operations were those of a bank and a clearing-house united. During the Black Friday conspiracy of 1869, it was put in the hands of a receiver by Judge Cardozo, at the suit of a bogus claimant, all clearings were forbidden, and the fees of lawyers and receivers, amounting to $100,000, were paid out of the assets.

Now why should we adopt indirect methods, instead of direct ones, either to get rid of the greenbacks or to establish a system of assets currency? The straight method would be to provide that the Government shall use a certain portion of its surplus revenue to pay and retire its past-due notes, and that the banks issue their own notes according to the safety fund plan. There is really no reason why these

two things should be coupled together at all. The one is not necessarily contingent upon the other, but when either or both shall be embodied in legislation it is my opinion that they will command more votes in Congress and in the country if they are direct and easily understood than if they are roundabout and obscure.

ASSETS CURRENCY INEVITABLE.

That assets currency will come, I have not the least doubt. It will come because it will be a necessity. The yearly spasm in the money market, in connection with the crop movement, would force Congress to act eventually, even if nothing else should compel it. Why should we have such a yearly spasm, any more than Canada? She has a harvest time also, but she has no more constriction of the money market in the fall than in the spring. All seasons are the same to her, because her banks can issue their notes in the amounts and at the times and places where they are wanted. The Canadian banks can create the crop-moving currency when it is needed, or rather they can keep it on hand without expense to themselves, and put it out when it is called for. We can do nothing but send it from one place to another, perhaps a thousand miles apart, and send it back another thousand miles after it has performed its office; and if there is not enough to go around we must import gold to supply the deficiency.

But there is another force operating to bring assets currency to the front, and that is the gradual extinction of the national debt, upon which the present currency is based. Fifteen million dollars of the bonds of 1925 were taken by the Secretary of the Treasury for the sinking fund a few days ago. The debt is shrinking all the time, and as the amount becomes smaller the market price of the remainder increases. Private investors are constantly bidding against the banks. They are buying bonds out of your own hands. They are making it more profitable for you to retire your circulation than to keep it. This condition will be intensified as years roll on. The basis of bank notes issued on the present plan will disappear, and then assets currency will be a necessity unless we are to have a currency consisting merely of Government notes and gold certificates.

ASSETS CURRENCY MUST BE SAFE AND SOUND.

Assets currency ought to be better than Government notes, because the assets of the banks consist of the circulating property of the country. If these assets are not good, nothing is good. If they were not good the Government could not long exist. The assets of the banks are partly cash and partly claims upon the producers and holders of the country's wealth of every description. The Government has nothing but the right to tax, and this is effectual only in so far as the producing power of the country, in which the capital and deposits of the banks are invested, is profitably employed. France is a rich country, but the Bank of France is much stronger financially than the Government, as has been proved in more than one crisis of that country's history. There are other reasons why banks are more fit than the Government to supply the nation's currency. They are credit-dealing institutions, lending institutions, business institutions. The Treasury, when it issues currency, is simply a borrower, and it can never be anything else unless it attempts to discount commercial paper, which nobody has yet proposed, and which no sane banker would consider possible under our form of Government.

Although the assets of the banks as a whole are good, it does not follow that those of each individual bank are good. There will always be a certain percentage of bankers so eager for profit that they will not keep the necessary reserve against their liabilities. Hence there will always be a certain percentage of bank failures. But no system of assets currency can have any chance of adoption in this country which contains the possibility of depreciated bank notes. The failure of one bank, if its notes were not provided for and kept at par, would discredit the whole system, because it would put every note-holder to the necessity of examining the contents of his pocketbook, and scrutinizing all the notes offered to him in trade, and perhaps keeping a bank note reporter at his elbow to determine the goodness of the paper money in circulation, as was customary before the civil war. I shall not go into details on this subject. Time does not permit, but I consider the Indianapolis plan of assets currency bomb-proof as regards the safety of note issues, and I think that the Fowler bill is also.

A BANKING SUPERSTITION.

There are some superstitions prevailing in the public mind, and in the banking mind also, regarding bank notes. It is commonly believed that it would be danger-

ous to allow a bank to issue notes exceeding the amount of its paid capital, and that anything above sixty or eighty per cent. of its capital ought to be heavily taxed. Both the Indianapolis plan and the Fowler bill embody this conception. The soundest banking system that the country had before the civil war was the State Bank of Indiana; yet this bank was allowed to issue notes to double the amount of its capital and it did so, and it never failed to redeem them even in the panic of 1857.

This is not difficult to understand. The State Bank of Indiana kept the right proportion of reserve to liabilities, and when a bank does so it is immaterial whether its liabilities are for notes, or for deposits, or for a combination of the two. The State Bank of Indiana existed in a sparsely settled agricultural country where deposit banking was of little use. Nearly all the persons whose paper was discounted wanted notes. If the bank had been hampered by a provision that it should not issue notes in excess of its paid capital, and not more than eighty per cent. thereof without paying a tax of five per cent. on the excess, it could not have existed at all. Suppose that our national banks were prohibited from having deposit liabilities in excess of their paid capital, and were required to pay a tax of five per cent. on all such liabilities above eighty per cent. thereof, what would be the result? According to the last report of the Comptroller of the Currency, the capital of the national banks was $655,000,000. Under the supposed rule their deposits could not exceed that amount in any event, and they could not exceed $524,000,000 without paying an excessive tax on the overplus. Yet their actual deposit liabilities were within a small fraction of $3,000,000,000 at that time, and their loans and discounts were an equal sum. How many of these banks could exist if they were restricted by such a rule regarding deposits? And how could the business of the country be carried on?

Yet, as regards the safety of a bank, there is no difference whatever between a note liability and a deposit liability. The former is a check drawn by the bank's president against his reserve fund, the latter is a check of the depositor, or his right to draw it, against the same reserve fund. Of a given amount of liabilities composed partly of notes and partly of checks, the notes will stay out longer than the checks and give the banker less trouble. Only about one-fourth of the national bank notes now existing are presented for redemption each year.

THE SUFFOLK BANK SYSTEM.

I might instance the Suffolk bank system that prevailed in New England before the civil war. This was as distinct an evolution and as marked an example of "survival of the fittest," as can be found in this world's affairs. I never read its history without admiration, and while I agree that the national banking system was necessary and was a great blessing for the whole country, and that the Suffolk system had to give way to it, I regret the necessity that put an end to so useful an institution.

Under the law of Massachusetts any bank might incur debts to the amount of twice its capital stock, not counting as debts its deposits, or its dues to other banks. Therefore, the banks might legally issue circulating notes to double the amount of their capital, but practically they could not do so. Their note circulation was seldom more than forty per cent. of their paid capital. The public would not take any more. It is the public demand, not the inclination of the banker, that determines how many notes shall be in circulation, and this public demand ought always to be satisfied by banks paying out their own notes over their own counters in exchange for good bills receivable. The law of Massachusetts prohibited banks from paying out any notes but their own, and that was a wise provision, since it compelled the banks to send to the Suffolk for redemption the notes of other banks that it received in the course of business. All the banks were thus required to keep a sufficient reserve in order to redeem their notes at the Suffolk. The New England note circulation was redeemed ten times each year on the average, yet the cash reserve needed was only fifteen per cent. of both circulation and deposits, and country banks were allowed to keep all of this reserve in Boston banks. These country banks received as deposits in the course of business as much specie as was ever called for by their customers, and they had plenty of currency to meet all demands, since they made it themselves, as the Canadian banks do now. Yet the losses to noteholders from failures among the 500 banks embraced in the Suffolk system in twenty years (1840-1860) were only $877,327. A tax of one-eighth of one per cent. per annum on the circulation outstanding would have protected note holders against this loss.

"EMERGENCY CIRCULATION."

The point of all this is that there is no necessary or logical relation between a bank's capital and its circulation any more than there is between its capital and its deposits. Both are liabilities, and the same percentage of reserve that will protect one will protect both. Why is it, then, that all of our banking laws, and projects of law, restrict the note issues of banks to a certain proportion of their capital, while they allow deposits to multiply to any extent? Why is it that bankers themselves see no danger in the unlimited increase of deposits, but look with great favor thereon, yet think that note issues should be restricted to the paid-up capital of the issuing bank, even when they are secured by bonds in the Treasury? This queer notion is an inheritance from the days of heterogeneous State bank notes, when banking was in great disorder, and when failures were frequent and disastrous. Banks were known to the public only as note-issuing institutions. Examine the statute-books of that period and you will find that the phrase "banking privileges" meant solely the right to issue circulating notes. The words had no other acceptation. The suffering caused by broken banks was therefore attributed entirely to note issues. It sank into the public mind. It created the conviction that the banks failed because they had insufficient capital, which was true in most cases; but it did not follow that the notes had caused the failures. On the contrary, the notes, as long as they were out, brought strength, not weakness, to the banks, and if the latter had been managed rightly in other respects, and had kept the proper cash reserve, as the State Bank of Indiana did, they would have weathered all gales as that famous institution did, and as the great majority of the Suffolk banks did. We have inherited the beliefs of those ante-bellum days. We have accepted without question or examination the doctrine that the note liabilities of a bank should be restricted to the amount of its paid capital, or to some proportion less than its capital. If this is a sound doctrine, then it is logical to say that all note issues above sixty or eighty per cent. of capital should be termed "emergency circulation" and be heavily taxed. If it is not sound, then the proposed tax is unphilosophical and is really an obstacle to the relief sought for by such circulation.

But it is said that Germany issues emergency circulation in times of great stringency, and puts a tax of five per cent. on it, and does so with advantage to the business community and to the Imperial Treasury. Quite true, but the German bank act measures note issues by the bank's cash reserve, not by its capital. It says that the Reichsbank may issue notes to the amount of 450,000,000 marks regardless of its cash reserve. Then it may issue additional notes equal to its cash reserve. Up to this point the German system runs parallel with the Bank of England system, but here they diverge. The German law allows further issues, but not to an unlimited amount. The bank must always keep a cash reserve equal to thirty-three and one-third per cent. of its outstanding notes, and upon this last batch, or overplus of notes, it must pay to the imperial Treasury a tax at the rate of five per cent. per annum. Thus the danger-line is drawn not at the capital of the bank, but at its cash reserve, which is the true criterion both for note liabilities and for deposits. It is the true criterion because the bank's capital may be locked up in investments which cannot be realized on immediately, whereas the reserve consists of the very thing wanted to meet liabilities.

Before closing, I wish to speak of one feature of the Indianapolis plan of assets currency, which has not attracted the attention that it deserves. It provides that the Government shall hold a five per cent. redemption fund for all bank notes as now; also a five per cent. guarantee fund with the power to replenish it by taxation when needful; also a paramount lien on the assets of failed banks and on the shareholders' liability, for the redemption of the notes of such banks. Having supplied the Government in this way with the means for redemption of bank notes, it provides that the Treasury shall receive at par all such notes in payments to itself except for duties on imports, and that it shall not pay them to its own creditors without their consent. Under this plan, therefore, the noteholder can lose nothing because he can use the notes in payments to the Government, and the Government cannot lose because it is armed with the power to recoup itself. It is said by some that if the Government is to be responsible for a note circulation it will issue such circulation itself instead of intrusting that function to banks. That is one of the things that remain to be seen. I suppose that the Government will insist upon whatever the people insist upon. It is all a matter of popular education.

THE PRESIDENT: The convention will now take a recess until 4 p. m.

AFTERNOON SESSION.

THE PRESIDENT: The convention will be in order.

J. J. SULLIVAN, of Cleveland, Ohio: Mr. President, I desire to offer the following Resolution, and ask that it be referred to the executive council for consideration and report:

Whereas, Experience has demonstrated the inadequacy of our present currency system; and believing that the best interests of the country demand a system flexible as well as stable; therefore, be it

Resolved, That this association record its unqualified approval of the enactment of a law imparting a greater degree of elasticity to our currency system, making it responsive to the demands of the business interests of the country; and be it further

Resolved, That we favor the appointment by the president of this association of a committee of seven members, selected with reference to their ability and high character as bankers, and their experience in monetary affairs, representing different parts of the country, for the purpose of carefully considering the entire subject, and report to the next meeting of this association.

I do not think there will be any legislation at the coming session of Congress, but when legislation does take place, this association ought to be instrumental in bringing about a proper solution of our present trouble. Now that something is necessary to be done in order that the banking business interests of the country may be better served than they now can be, I believe you will all agree.

On motion of Col. Robert J. Lowry, the resolution offered by Mr. Sullivan was referred to the executive council with the request that it be immediately reported upon.

ENDORSING THE WORLD'S FAIR AT ST. LOUIS.

F. G. BIGELOW, of Milwaukee: Mr. Walker Hill, whom you all know, has asked me to present the following, simply for the purpose of getting the informal expression of the association upon it:

Whereas, There is to be held in the city of St. Louis, Mo., in 1904, an exposition of the arts and sciences of the world, known as the Louisiana Purchase Exposition; and

Whereas, The said exposition has the approval of the United States Government to the extent of an appropriation by Congress of $6,500,000, for the nation's participation therein; and

Whereas, The city of St. Louis is expending in the enterprise more than $10,000,000, and the total appropriation by the various States of the American Union and by foreign governments now amounts to over $20,000,000; be it

Resolved, That the American Bankers' Association, in convention assembled, regards the Louisiana Purchase Exposition as an enterprise of national and international importance, which will be the highest possible expression of our advanced civilization, and the grandest and greatest exposition in the history of the world's progress; and be it further

Resolved, That we cordially and heartily endorse said exposition and pledge ourselves to give it our earnest support.

THE PRESIDENT: If there is no objection, and unanimous consent being granted, this preamble and resolution just read will be referred to the Executive Council. There being no objection it is so referred.

A. J. FRAME, of Waukesha, Wis.: Mr. President, I desire to call up the resolution which was postponed yesterday until to-day.

THE PRESIDENT: Will the gentleman from Wisconsin kindly read the resolution to which he refers.

MR. FRAME: This is the resolution, and I read it for the purpose of putting it upon the records of the association and having the approval of the association, because a bill is now pending before Congress that we want this resolution to meet. I will read this resolution, and then move its adoption:

Whereas, In the past forty years the United States has forged ahead by leaps and bounds in material prosperity, until to-day it has distanced all competitors, and we believe the most potent factor in producing this result, next to the intelligent energy of our people, is the aid given by the banks; and,

Whereas, While this great advance has been in progress, the banking system of this country—under the fostering care of local ownership, coupled with continual progress in conservatism and sounder banking laws—has more than kept pace with the general progress in other lines, until to-day her banking power, according to the Comptroller's Report of 1901, exceeds forty-four per cent. of the world's banking power; and,

Whereas, The battle of the standards culminating in the adoption of gold, under the Act of March 14, 1900, removed the blighting effects of distrust which always paralyze enterprise, and substituted confidence, which is the bulwark of all progress, and also under natural economic laws filled our channels of circulation with fifty per cent. more gold than is now held by any nation; and

Whereas, because of the vast increase of wealth in the United States, rates of interest on loans are to-day about one-half those charged thirty years ago, and if rates vary somewhat, this barometric cautionary signal prevents undue expansion, and clarifies conservatism; therefore, be it

Resolved, That the American Bankers' Association is opposed to the passage by Congress of the so-called Fowler bill, which undoubtedly would revolutionize the present system of banking, thus forcing the 500,000 stockholders to sell their vested rights or stand monopolistic competition, and substitute therefor a brood of 200 or 300 great central banks, with 10,000 to 15,000 branches in large cities, as well as small, and as such branches would have no capital and only figurehead management, individualism in management would cease, local tax be evaded, no home distribution of profits, local progress retarded; in short, the great central banks would skim the cream from the whole country to enrich the exchequers of the great central banks; therefore, be it further

Resolved, That we are unalterably opposed to that provision in the bill which substitutes a doubtful measure in place of the law authorizing gold certificates, the issues of which have grown from $32,000,000, on March 14, 1900, to more than $300,000,000 at this date, because no form of money ever issued was more convenient or unquestioned in quality.

Resolved, That as the quality of our money is undoubted and the quantity ample for all legitimate requirements—but not for wild speculative purposes—we are opposed to an asset currency that will further inflate credit, drive our gold abroad under the Gresham Law, and help us into a panic when we are out of one; and be it further

Resolved, That we would joyfully favor any sound solution of the vexed problem of giving us an emergency circulation if issued through conservative channels and subject to a heavy tax to retire it immediately after its work is done to prevent inflation; but we are opposed to doubtful, experimental remedies that might prove worse than the disease.

Resolved, That we approve of legislation to prevent the locking up of funds in the United States Treasury in excess of, say $50,000,000, for current requirements, thus removing one main cause of periodical stringencies.

Resolved, That we approve of any reasonable amendments to improve our present banking and currency systems, but we are radically opposed to revolution and monopoly as detrimental to private and public welfare.

MR. BIGELOW: There are some things in these resolutions that we can all approve. There are some things in these resolutions that are the special pleading of men who, by honest conviction, are strongly opposed after all to men of very great ability as to some things that must be wrought out in this question. There stood before you to-day a man who perhaps has no peer in the discussion of financial questions—Horace White, Editor of the New York Evening Post—and he has told you what in my own humble opinion I sin-

cerely believe will be the only scientific currency in time to come, which must be assets currency. Now, it has been the purpose of the council in declining to accept all that is in here to keep this convention from going on record while this question is so important, and I think the proper action is to re-refer this resolution to the executive council. While this question is so much before the American people, and while there are so many things that are not yet settled, I think it would be unbecoming to take any positive action against whatever shall be the solution of the question.

A. J. FRAME: I disagree with Mr. Bigelow upon this subject. I disagree about having any action on this occasion. Nearly every State in the United States has already passed resolutions against the adoption of that bill, and I believe it is the duty of this association to put itself on record as against it. I have letters in my pocket from quite a number of very prominent men all over the West who could not be here to-day, condemning the bill in the strongest possible terms. I am not against an improvement of the banking law, but I am against the amendment or the overturning of our whole banking system as provided for in the Fowler Bill; it is revolutionary and not evolutionary.

THE PRESIDENT: The Chair will state that either one of these actions may be taken. It may be voted upon now, or referred back to the executive council.

JOHN T. DISMUKES, of St. Augustine, Fla.: There was a motion that it be referred to the executive council.

L. E. KNISELY, of Toledo, Ohio: I make an amendment to the motion, to refer the resolution back to the executive council.

MR. DISMUKES: And I second that.

THE PRESIDENT: The question is upon the amendment of Mr. Knisely, that the resolution be referred back to the council. Are you ready for the question? All in favor of that motion will signify by saying "aye"—those opposed, "no." In the opinion of the Chair, the ayes have it.

MR. FRAME: I call for a division of the house.

THE PRESIDENT: A division is called for. All in favor of the motion will rise and remain standing until counted. (83 rose.) All opposed to the motion will now rise. (47 rose.)

The motion is carried by a vote of 83 to 47.

A vote will now be taken upon the motion as amended. All in favor of the reference back to the executive council will say "aye"—those opposed, "no." Carried.

It is referred back to executive council.

The next business before the convention is the discussion of "Emergency Currency," and the first speaker to address the convention will be Hon. Cornelius A. Pugsley, member of Congress from the State of New York.

EMERGENCY CIRCULATION.—ADDRESS OF HON. C. A. PUGSLEY.

When we consider the mighty forces that are at work to develop and accumulate wealth; when we see men enduring privations, braving the cold and snow of frozen Alaska and the heat of torrid Africa, that they may enrich themselves with gold, which in its last analysis means a purchasing power, can we realize the force and the truth of the words of that phrase-maker, Fitz-Greene Halleck, when he said: "This bank-note world." How true it is that the typical Yankee and the progressive American

"Counts his sure gains and
Hurries back for more."

We frequently hear the expression, "Well settled in life." Plenty of this world's goods is understood, a consummation devoutly to be wished, and parents have just reason to rejoice when they see their children "well settled." I remember hearing of an old squire, who met a farmer friend and said: "Well, Farmer Pitkin, I understand your sons are all married and settled in life." The farmer said: "Yes, squire, all but Silas; he's married and settled in Philadelphia."

There are, however, disappointments in the matter, as in the case of a wife who asked her husband for money. He had none to give. She said: "I thought you were well off before you married me." He replied: "I was, but I didn't know it."

Money is the one thing universally used and abused. The one thing universally coveted and reviled. It has been said that the advice, "Put money in thy purse," has become too much the gospel of the country, and that the trail of the trademark is over us all.

MONEY THE PRINCIPAL SOURCE OF POWER.

It is undoubtedly true that money is the principal source of power in modern times, and particularly is it so in this country, where we have no titles of nobility. But neither money, social or political power, or any other power, for its own sake, is worth the devotion of a life. It is the belief or opinion of some that the vast accumulation of wealth by the few is unfortunate and detrimental to the general good. A dissipated but humorous character in our town a few years ago came into our bank, and inveighing against the unequal division of wealth, said: "The world is all wrong; some men have too much money, and others haven't any. It ought to be divided up even." It was suggested to him, in rebuttal of his theory, that if such division should be made, within a week it would be again uneven, owing to the frugal habits of some and the spendthrift habits of others, to which he replied: "Well, then divvy up again."

Money has played an important part in the world's development. Pope said of it:

"Trade it may help, society extend,
But lures the pirate and corrupts the friend;
It raises armies in a nation's aid,
But bribes a Senate, and the land's betrayed."

In the early or primitive ages we have abundant evidence that money, or currency, did not exist. When persons traded they exchanged the products of the soil, of the chase, directly with one another. Thus Homer says:

"From Lemnos Isle a numerous fleet had come
Freighted with wine * * *
* * * All the other Greeks
Hastened to purchase, some with brass and some
With gleaming iron; some with hides,
Cattle or slaves."

These lines are probably the first record of trade or barter, and it is easy to imagine the inconveniences of such a system, for it pre-supposes that the purchaser must have some article desirable to the prospective vendor.

As the world progressed, however, all nations fixed upon a material substance which should represent a unit of value. Skins of wild animals were thus used by the ancient Romans for money; cattle, brass, nails of iron, in ancient Greece; wampum among the American Indians; salt in Abyssinia; eggs in Alpine towns; codfish in Iceland; cakes of tea in China; shells in India and Africa; tin in ancient Syracuse, and other articles in other countries too numerous to mention. In Britain, as late as the Norman Conquest, two kinds of money were in use, living money, consisting of slaves and cattle, and dead money, consisting of metal. Even at the present day, in our thinly-settled and remote communities, the products of the soil and the bench are bartered when there is a scarcity of money. I remember hearing of a minister who realized what such currency meant. He preached in one of those back towns where there was a great deal of close-fisted shrewdness and a great deal of poverty. He made up his mind to resign, and one Sunday morning said to his congregation: "Brothers and sisters, I have made up my mind that I can stand this position no longer. It seems to me that the Lord does not love this people, because he never takes any of you to heaven. There has not been a funeral here for five years. It does not seem to me that you love one

another, because nobody ever gets married. I have not had a wedding fee in a long time. It does not seem to me that you love your minister, for you never pay his salary in full; you eke it out with poor potatoes and wormy apples, and 'by their fruits ye shall know them.' I have been appointed chaplain to the penitentiary. Whither I go—at present you cannot come—but I go to prepare a place for you."

CREDIT REPRESENTS CONFIDENCE.

Confidence is one of the great essentials of all successful business. Ninety-eight per cent. of the transactions of commerce are accomplished by the use of credit money, bills of exchange, bank notes, checks, money orders, etc. Foreign commerce is said to aggregate nearly $2,000,000,000 per annum, and less than 2 per cent. of gold is required to settle the balances of all this vast volume of trade. Some one has said "credit represents confidence, the most important factor of all in the world's commercial relations." The New York Clearing-House balances are not infrequently more in a single week than the total current money of the United States.

Daniel Webster said: "Credit has done more a thousand times to enrich nations than all the mines of all the world."

It is to the Jewish race, who have been called the compulsory bankers of Europe, that the great commercial world is most deeply indebted. When the world was in its swaddling clothes of financial and trade development, when populations were increasing and nations growing in power and influence, with the financial and business acumen for which the race was always noted, they were advancing money upon approved security. "When a whole nation," says the elder Disraeli, in his "Genius of Judaism," "devote themselves to one great pursuit, one single art, they open sources of invention, they reach to a noble perfection. Unhappily for the Jewish race, that great pursuit, that single art, was the commerce of money; and to render fortunes invisible, their genius produced the wonderful invention of bills of exchange; an object like printing become too familiar to be admired; the miracle has ceased, and its utility only remains; yet both are sources of civilization and connect together as in one vast commmonwealth the whole universe."

CRITICISM OF THE EXISTING CURRENCY SYSTEM.

Much criticism has been had of the currency system of this country, but whatever there is of criticism, it is sound beyond question and good beyond peradventure. The great essential in any currency is quality rather than quantity. It is the exponent of value in trade and exchanges, and fully meeting these demands, the desirability of an abundance of money ceases. One does not need three horses to draw the plow when one will do; and the smallest amount of money which will transact the largest amount of business, is a very near approach to a perfect ideal in business conditions.

The greatest objection to our currency is that it does not possess flexibility. Its only elasticity is afforded by our mines and the gold settlement of the trade balances for and against us. The present law regulating circulation, whose purpose was not to prevent a too sudden contraction of the currency, but to prevent government bonds held to secure circulation from coming upon the market, prohibits the retirement of more than $3,000,000 per month. It has been suggested by prominent bankers that this law should be repealed and that banks should be allowed to retire their circulation, if they chose to do so. Although this might add flexibility to our currency system, yet I am not sure that such action would be desirable, as it would undoubtedly result in a very considerable contraction of the currency in order to reap the profits to be derived from the high prices of government bonds. The National banks of our country are compelled to hold as a reserve gold and silver and United States notes, and yet I see no reason why a National bank note, which is admittedly more effectually secured than a greenback or a United States bond, should not be counted as a reserve, because I consider them as good for that purpose, or any other purpose, as any obligation in this country to-day. As a well-known banker has said: "It has first an obligation of the bank to pay; second, it is secured by government bonds, and, third, the government is pledged by law to redeem it upon presentation, having in turn a prior lien upon the assets of the bank for reimbursement." In Germany, I understand that notes of specie-paying banks are so counted as a reserve.

ISSUE OF CLEARING HOUSE CERTIFICATES IN TIMES OF PANIC.

During the panic of 1893 it was necessary to resort to the issuing of clearing house certificates, and that they rendered the public untold service is unquestioned. The amount of clearing-house certificates issued by all the clearing houses of the country amounted in the aggregate to about $66,000,000. These certificates were isued merely in the great commercial cities, and were available only between banks in settling debit balances at the clearing houses. These certificates might prove as desirable under our changed conditions as in the past. It has been stated by eminent authority that these certificates, if again issued, might impair our national prestige as a money power in the world of finance and depreciate our securities as a nation.

This being the case, it behooves the bankers of this country and the legislative bodies of the country to prepare such an emergency currency as will take the place of clearing-house certificates and relieve the distress which attends not only a great panic, but that results from a demand for additional circulation in the moving of the crops and the undue contraction of the currency resulting from the accumulations from customs deposited in the United States Treasury, which occur almost periodically each year.

Various plans have been evolved for the reform of the monetary system, and a number of bills have been introduced in Congress during recent years, for the purpose of giving greater elasticity to the currency. Among the former are the famous Baltimore plan, the plans of Secretaries Carlisle and Gage and the Indianapolis Monetary Convention; of the bills that have attained prominence are Congressman Walker's, the Lovering and Mr. Fowler's.

Another bill which has been highly commended in certain sections, which provides for the incorporation of clearing houses to issue an emergency currency, prepared by Mr. Gilman and introduced by me at the last session, had the same purpose in view.

COUNTRY NOT READY FOR ASSET CURRENCY.

I do not believe the American people are yet ready for an asset currency, pure and simple, or for such a radical departure in our currency system as is provided for in the Fowler bill. I believe, however, that an emergency currency engrafted upon our present system, might prove beneficial, and would also test the working of an asset currency, to which we may have to come when the government bonds are no longer available as security. Such an emergency circulation, I believe, might be had, if the present law should be amended, so as to permit all National banks holding Government bonds as security for circulation to issue ten per cent. additional currency on the amount of bonds deposited with the Secretary of the Treasury, the same to be taxed at the rate of 5 per cent. per annum, and also providing that all banks having a surplus fund equal to 20 per cent. of their capital should be authorized to issue 10 per cent. of asset currency, to be secured by approved bonds or by bills receivable specifically set apart for that purpose, as in the Bank of France. As the present law provides that all circulation issued by the government to the banks is a first lien upon assets, there would be no necessity for change of the law in that respect. This 10 per cent. of asset currency should be taxed at not less than 6 per cent. per annum, and the bonds and bills receivable set apart to secure the same should be in excess of the circulation by at least 50 per cent. The bills receivable should have one or more endorsers known to be responsible and guaranteed by the personal bond of the directors that the same are set aside as security for circulation. The setting aside of the bonds should also be guaranteed in a similar manner with the infliction of a penalty if the security is not set aside as guaranteed.

PROVISION FOR AN EMERGENCY CIRCULATION.

These emergency circulation notes should not be printed in any distinguishing color or design, but it should be within the power of the Secretary of the Treasury, and the Comptroller of the Currency, to have in hand and to issue such emergency currency, not to exceed 20 per cent. of the bank's capital, when in their judgment it should be advisable or necessary, and also to call for payment of this circulation from banks, when it should be desirable that the same should be retired, thus avoiding inflation of the currency. An undue inflation of the currency, in my opinion, might prove more dangerous than a lack of currency at certain seasons of the year. The great requisite should be the quality rather than

the quantity. Mr. Dawes, a former Comptroller of the Currency, has very aptly said: "We do not want an asset currency that will help us into a panic when we are out of one, but an emergency currency that will help us out of a panic when we are in one." And better still, and what is needed and required, is that emergency circulation so perfect in its security and availability that it will unquestionably prevent the panic. If such an amendment to our monetary system should be provided, it would result in sufficient currency, in my opinion, to tide over any conditions of panic or stringency in our circulating medium. It will be remembered that in the panic of 1893 about $66,000,000 of clearing-house certificates were issued. Under the provision that 10 per cent. should be issued by banks having government bonds on deposit, there being about $365,000,000 of government bonds held as security for circulation, an amount aggregating about $36,000,000 would be afforded; and under the provision that banks having 20 per cent. of surplus should be allowed to issue assets or emergency currency to the amount of 10 per cent., I should consider $50,000,000 more would be available, without having examined carefully into the number of banks that could avail themselves of this provision. The provision that National banks should issue such currency would undoubtedly lead all banks to strengthen themselves in order that they might avail themselves of the act.

A SOUND CURRENCY THE BULWARK OF NATIONAL POWER.

The provision might also be had that this currency should not remain in circulation for a longer period than six months. But this might safely be left to the Secretary of the Treasury and the Comptroller of the Currency, the retirement of the notes being effected as at present, through the redemption fund, and without disturbing the bonds on deposit. The security of 10 per cent. of currency issued would be unquestioned by the market value of government bonds at the present prices, and with the interest charged upon this 10 per cent. of currency, as well as upon the 10 per cent. issued by banks with 20 per cent. of surplus or more, would soon provide a fund amply sufficient to pay any possible loss that might be incurred by the government. The same provision as now in regard to the deposit of 5 per cent. with the Comptroller of the Currency should also apply to the circulation issued under this provision, and I am not sure but that at least the same per cent. of legal tender money should be held against this circulation in banks as is now provided for bank deposits.

It seems to me that this question is well worthy of the consideration of this great association, representing, as you do, the banking and commercial interests of this country. A sound, stable and responsive currency is one of the greatest bulwarks of national glory, greatness and power, and one which will prove of inestimable value to business interests.

THE PRESIDENT: Mr. Gilman is not here, and his paper, which is next on the programme, will not be presented. In its stead we will listen to an address by Hon. Willis S. Paine, President of the Consolidated National Bank of New York City.

ADDRESS OF HON. WILLIS S. PAINE.

Mr. President and Gentlemen of the American Bankers' Association—The Comptroller of the Currency in his instructive address yesterday morning, as well as in his last annual report, states in substance that there is pressing and immediate need not now supplied by our National banks for an asset currency which can be used to supply an emergency circulation, and that this is a good time to make reforms which are necessary. He adds that it will have to be determined by Congress in the near future as to what shall be done with the National banks and their circulating notes, and what changes are to be made in the various kinds of paper now in circulation.

All plans should be carefully considered whereby our currency system, which every one admits to be faulty, may be perfected and recurring embarrassments obviated as far as possible.

Our present financial system is a mosaic of emergency legislation. It came into being by reason of the civil war, at a time when the nation had to adopt expedients to avert possible destruction. If it is to be reformed it should be done at the present time, when no emergency exists. Its weakness is not so apparent in good times, but evidently enough its weakness is one of the causes of bad times and the frequent pledges which have been made of financial reform should be

redeemed. The next Congress can put its time to no better use than in considering every well-digested measure which may be presented.

The National bank act should not be disturbed. It has existed thirty-nine years; hundreds of judicial decisions have been rendered as to the meaning of its various portions. It has been approved by successive Congresses, and it has the complete confidence of the nation. It is to-day as nearly a perfect statute as a general law can be made.

President McKinley in his last public address said: "These are times of overflowing prosperity." The then conditions of the general business of this country to which he alluded still obtain. If the prosperity of our land is based upon what comes from the ground, our recent remarkable harvests and the demand for the same argue plainly that our good fortune is based upon the most satisfactory of foundations. The carrying of freight is unprecedented. Bank clearings are 25 per cent. above last year, and this increase has been going on each year higher than the preceding year at about the same percentage for more than half a decade.

Every indication points that this prosperity will continue for a considerable period of time. Such being the case, the question must be answered: is there enough of the floating supply of money to meet the demand? Should not the answer be in the negative? Instead of a large amount being due to this country from Europe, as was the case in the year 1896 and preceding years, the converse is true. We owe more abroad than we have ever owed in our history as a nation. We have imported from abroad many kinds of goods which we previously sold to European buyers.

Prices in not a few instances have been advanced to a level much higher than in the years preceding 1896. They are too high to attract foreign purchasers. Another reason is the remarkable one that while our currency exceeds two billion five hundred millions of dollars, the National banks have increased their loans within three years over one billion dollars, while their specie holdings have materially decreased during the same period.

In view of the remarkable prosperity of the West and South, it is evident that a much greater demand for currency has to be met than ever before in our history.

EFFORTS OF THE TREASURY TO AFFORD RELIEF.

The statement that when the Boer war was ended large quantities of gold would be mined, and hence would be available as a circulating medium, has not been justified, and no one's opinion is ex-cathedra in this connection. It is probable that the Secretary of the Treasury will soon be compelled to take away from the National banks a considerable sum of public money to meet the obligations of the Government now coming due by reason of the recent prodigality of Congress. Indeed, it is not, in a comparative sense, a large balance that now lies in the Treasury, when the amount due from the Government is considered. The very recent efforts of the Secretary of the Treasury to relieve the money market are well worthy of recapitulation in this connection. During the months of September and October last within five weeks he offered relief aggregating $95,800,000. The items of relief were: Release of reserves held against the Government deposits, $40,000,000; purchase of bonds, $20,500,000; additional deposits in National banks, $18,000,000; added to National bank circulation, $14,000,000, and rebates of interest, $3,300,000.

Like relief cannot always be relied upon to meet an unusual condition of affairs. If prosperity is to continue, we must have more currency, and this can be done in a way which will not call for the repeal of existing laws. Upon general principles, it is unwise to discourage the issue of circulating notes by banks. Without them, the currency would consist of gold certificates and coin, which are the most desirable currency in point of stability, provided enough were in circulation to supply the needs of trade, of silver certificates and coin, which are uncertain in value, and of legal-tender notes, which are also uncertain and may become redeemable in silver. It is evident that without the circulating notes of banks the currency of the country may be unsteady through changes in relative values, as well as by congressional action.

THE SUFFOLK AND CANADIAN SYSTEMS.

The Suffolk system of the daily coin redemption of notes made a banking system which was practically perfect, except that it lacked the element of insurance to protect the holders of circulating notes. Had a proper guarantee fund been created, the notes would have been commercially perfect. The credit notes of the Canadian banks, thirty-five in number, possess the confidence of the people. The increase in the National bank circulation during the first seven months of this

year was less than $2,000,000, about one-half of 1 per cent. During about the same time the Canadian banks increased $6,449,172, more than 13 per cent.; their total circulation at the end of last August being $55,933,701.

Reference might well be had to the operations of the Bank of England during its two centuries of existence, especially during what is known as the "registration period"; its fiduciary notes (including the amount authorized by order in Council of last August to be issued) have increased to £18,175,000.

As an abstract proposition, State banks should not be debarred from the privilege of issuing circulating notes. A bank ought to possess three functions: First, it should be permitted to receive money on deposit and hold it subject to draft, or under an agreement as to the time of its return; secondly, it should have the right to loan money; thirdly, it should possess the privilege, subject to restrictions, of paying out its own notes.

THE SAFETY FUND SYSTEM.

The safety fund system of the State of New York, as it was generally termed, would have proved successful had the banks of the State been subject to other conditions. While by law each bank was forbidden to issue circulating notes to a greater amount than twice its capital, yet no provision of law existed whereby a supervision could be exercised like that which obtains at present. A number of institutions violated the statute, and the fund which was intended to secure the payment of a bank's deposits, as well as its currency, was found to be too small. No bank was compelled to contribute to the fund beyond one-half of 1 per cent. annually on its capital for six years, because the law provided that when 3 per cent. of its capital had been paid its contributions should cease.

The State of New York enacted April 13, 1838, a general banking law which has well been called "the second Declaration of Independence." Its main feature is a secured currency. It is the basis of the National Bank Act. That Commonwealth has carefully preserved, by re-enactment and revision, its laws for the issue of circulating notes by banks and bankers. An epitome of the same is as follows: They provide that any bank or individual banker may deposit with and transfer to the Superintendent of Banks, any interest-bearing stocks or bonds of the United States or of the State of New York or any county or incorporated city of that State authorized to be issued by the Legislature, or bonds and mortgages on improved unincumbered real property of the State of New York worth seventy-five per cent. more than the amount thereon loaned, but no such stocks or bonds shall be received by the superintendent at a rate above their market value. The superintendent may thereupon issue to such bank circulating notes in the similitude of bank notes in blank, engraved and printed in the best manner to guard against counterfeiting, in various denominations, which shall be registered in the books to be kept for that purpose in the office of the superintendent under his direction, by such person as he shall appoint for that purpose, so that each denomination of such circulating notes shall bear the uniform signature of such register.

The aggregate amount of notes thus issued to any bank or individual banker shall not exceed ninety per cent. of the market value of the stocks and bonds of other securities so deposited with and transferred to the superintendent by such bank or bankers.

Every bank or banker issuing circulating notes, except those whose place of business is in certain cities and which have not already made such an appointment, shall forthwith appoint in writing an agent who shall keep an office in designated cities for the redemption of all circulating notes issued by it or him, which shall be presented to such agent for payment or redemption.

Any bank or individual banker or other person may be such agent, and in case of the neglect or omission of any such bank or banker to appoint such agent, the superintendent shall appoint him, and any bank or banker who shall refuse to redeem its notes on demand, such bank or banker shall pay to the person making such demand interest on such notes at the rate of twenty per cent. per annum, and if such redemption is not made within twenty days from the time when first demanded, such bank or individual banker may be proceeded against by the Superintendent of Banks in the same manner and with the like effect, as though insolvent. The superintendent may also give notice in a State paper that all the circulating notes issued by such bank or bankers will be redeemed out of the trust funds in his hands for that purpose, and he is authorized to apply such funds to the payment, pro rata, of all circulating notes put in circulation by said bank or bankers.

Mr. President, your attention is especially called to the fact that the Secretary

of the Treasury has, during the last few days, set the stamp of his approval upon securities of a like character, by accepting State and municipal bonds as a proper security for public deposits which the latter part of last week aggregated very nearly $17,000,000.

A plan may be suggested whereby even if the affairs of a bank were managed injudiciously, or the supervision exercised by the authorities of the State wherein it was located was inefficient, its currency would be so absolutely secure that it would be taken as freely at one end of the Union as the other. By reason of its elasticity, it would prove an important factor in accelerating business transactions and developing the resources of the currency. Under the old system, publications known as bank-note detectors were a necessity to protect business men from worthless notes. The engraving and printing by the Government of circulating notes is now so well done, that counterfeiting of its currency has almost ceased. It is reasonable to believe that the people of this country will not sanction a return to the old custom, whereby we had nearly as many systems of currency as there were States.

SOME ESSENTIAL FEATURES OF A SOUND CURRENCY.

No currency bill ought to be considered by Congress which is not based upon the thought so well expressed in the charter of the Bank of France. The essential interests of the country imperiously demand that every bank bill be declared to be lawful money and shall be able to circulate equally in all parts of the land.

It may be urged that securities, like those mentioned could not be promptly converted into cash in case of an emergency; that the public must be sure, not only that they will be ultimately available, but that the money can be had immediately, and that if there were but the shadow of doubt, although a mistaken one, a panic as to such notes could not be averted; and even the remote possibility of such a lack of confidence would destroy the usefulness of currency based on such securities.

If this statement is met with the answer that the Government would be ready to redeem this currency because fully protected by reason of holding those securities, it may be replied that the Government should not be compelled to maintain a reserve to meet these notes if presented for payment, and that Congress, representing the people, would not permit the Government to go into the business of keeping money at hand to meet such emergencies.

In answer to the foregoing, it may be shown that the currency contemplated can be made more secure than the present National bank currency, and without the necessity for maintaining a reserve.

The circulation of each State bank could be made a preferred lien upon the assets of each institution, to be paid before any other liability is met. The stockholders should be individually liable precisely as the law of the State of New York contemplates. Assurance would be doubly sure if a yearly revenue tax of one-half of one per cent. collected upon the amount of circulation of each bank, was to be placed in the Treasury as a safety fund for the redemption of all circulating notes in any case where the security mentioned might be inadequate. When the accumulation of a safety fund, as herein suggested, exceeded a certain percentage of the amount represented by the circulating notes, it could be disposed of in various ways. For example: It would be equitable to refund to each bank the sum which it had contributed above a certain ratio to its liability for its currency.

Such notes should be printed by the Government under the supervision of the Comptroller of the Currency. With an efficient force this plan would not prove cumbersome. It is no objection to the plan to say that it will strengthen the credit of one State and impair that of another. The Legislature of the State of New York has made a like discrimination concerning the securities in which its Savings institutions are authorized to invest and such a distinction is practically made everywhere in connection with all classes of securities. Certainly, when State Legislatures countenance theft, for successful repudiation has in many cases been nothing less, the natural and necessary result must be endured; while those who have displayed a decent regard for the rights of others should meet with encouragement.

Some plan similar to the one suggested would go far toward binding together the people of the whole nation in a community of interest, and would place a premium on honest administration of State and local governments, which experience has shown to have been sadly needed.

This plan is an attempt to solve the currency problem . It is a purely economic question. Does it give an opportunity for the free coinage of substantial values into currency so controlled as to meet with the requirements of the people, and does it in any way disturb the existing monetary system of this country?

Ought not circulating notes be issued by banks in response to the demands of the trade, provided such notes are absolutely secure? The needs of business must necessarily control. No bank can afford to pay a tax upon such notes when the demand for the same ceases.

No one will deny that before the Civil War notes issued by some State banks were in a number of cases disreputable, but there existed as honestly managed banks then as at the present time. Their circulating notes were literally as good as gold, because they were paid in gold.

It may be added, a stable currency is the life blood of the nation's prosperity. Without it we cannot hope for commercial supremacy, while with it we may rest assured as to our future prestige.

RESOLUTION FOR THE APPOINTMENT OF A CURRENCY COMMISSION.

F. G. Bigelow: I ask unanimous consent that the following resolution, sent in by the Illinois State Bankers' Association, be referred to the Executive Council:

Whereas, Feeling there is a great stringency in the money market, particularly at the crop-making time, at which time is felt the lack of elasticity in our currency system, these conditions are unsettling the values and are disastrous to the commercial interests of our country.

Resolved, That we favor the creation of an elastic currency under national supervision, so safeguarded and protected as to furnish unquestioned security to the noteholder, and that our Representatives and Senators in Congress be urged to favor amendments to our National Banking Act that will provide a safe and elastic currency properly secured.

Resolved, That we would recommend that the American Bankers' Association appoint a currency commission to draft and formulate a bill to be presented to Congress and that we urge upon delegates to the American Bankers' Association to use their best efforts to secure the passage of this resolution.

On motion the resolution was referred to the executive council.

Call of States.

We will now have the Call of States: The secretary will call the roll alphabetically, and as each State is called the gentleman who is to respond will please come to the platform.

ALABAMA.

Frank S. Moody, of Tuskaloosa: Every man who is eighty-three years old is older than the State of Alabama. In Alabama we date everything from the Civil War. There is an era of Before the War, an era of During the War, and an era of Since the War. In the first era, a period of only forty years, the people of Alabama converted Indian trails into public highways; they spanned the rivers with substantial bridges; they cut the primeval forests; they started the building of railroads; they erected schools and colleges and the State University, and a thousand churches; they established a great system of jurisprudence suited to the conditions and growth of the State. In the second era, from 1860 to 1865, what took place I shall not discuss. I think it is generally conceded that during that period the men of Alabama were neither inactive nor unenterprising. The third period found the people of Alabama as prostrate as are now the Boers in South Africa. Then it was that the people exemplified what a great race can do in trial and adversity.

Alaska. (No response.)

Arizona. (No response.)

ARKANSAS.

John G. Fletcher, of Little Rock: Mr. President, Ladies and Gentlemen—Arkansas is progressing all right. Talk about Alabama! Why, she is old enough to be grandfather to Arkansas. Arkansas has 140 banks; every county town in the State has one or more, and they each have a reasonable amount of money to carry on business with. Arkansas is raising one million bales of cotton annually. Her lumber interest exceeds that of her cotton crop, and she is furnishing lumber to you gentlemen of the North and to you gentlemen of the West. And in respect to

coal, Arkansas is sending "coals to Newcastle," as it were. Talk about a famine in the coal districts, up North! We have got the finest anthracite coal in the world. I had some delivered to me the other day at less than $4 a ton. We can furnish all you people up North with all the coal you want, and with all the cotton you want to make yourselves clothes to wear. I am a native of Arkansas, and I am proud to know it. When you come to St. Louis to the great exposition that is to be held there I want you all to come to Arkansas and see it.

CALIFORNIA.

J. M. Elliott, of Los Angeles: Mr. President and Gentlemen—It will be impossible for me to speak adequately of the great State of California in the time allotted these speakers. I can only say that we in California bring you greeting. We want you to come to us next year and see California for yourselves. Although I bear with me an invitation from Los Angeles, I am authorized to say that we will waive it in favor of San Francisco, that peerless city which used to be considered the outpost of civilization, but which is now the half-way stopping point on the journey to Hawaii. Come to us, and learn what California hospitality is, and you will have the best convention the association ever enjoyed.

Colorado. (No response.)

CONNECTICUT.

A. J. Sloper, of New Britain: The bankers of Connecticut, let me remark first, are doing exceedingly well. Last week the President of one of our local banks was elected Governor of the State, and the President of another of our banks was elected Comptroller of the State. Somebody said that the bankers and lawyers' ticket wouldn't get elected, but the working people of Connecticut know a good thing when they see it, and so they elected our ticket by a majority of over 15,000, and Connecticut has been considered one of the doubtful States.

THE PRESIDENT: Owing to the lateness of the hour, the convention will now stand adjourned until to morrow morning at half-past 9 o'clock. The members will please be prompt in attendance, as we have a great deal of business to do in order to get away on time for the afternoon excursion.

THIRD DAY'S PROCEEDINGS.

THE PRESIDENT: The convention will be in order, and our proceedings will be opened with prayer by the Rev. W. McF. Alexander, of Pryrania Street Presbyterian Church.

Gentlemen, we will now resume the order which was suspended at the hour of adjournment last evening, and the secretary will continue the Call of States.

Delaware. (No response.)
District of Columbia. (No response.)

FLORIDA.

John T. Dismukes, of St. Augustine: Mr. President and Gentlemen—In responding on behalf of Florida I am somewhat at a loss to do so in a proper manner, for the reason that I had not at all prepared myself. This task had been allotted by our State association to another gentleman, Mr. Burnett, of Jacksonville—who, although he is a Republican, is recognized as our silver-tongued orator in our state conventions. He was assigned to this duty, but, as he is not present, why, I will endeavor to do the best I can. Recognizing that while speech is silver, I further believe that silence is golden; and, having once been alluded to by an ex-president of this association as a Florida alligator, I now voluntarily become for this occasion another of Florida's valued products—a clam.

GEORGIA.

L. P. Hillyer, of Macon: Mr. President and Gentlemen—I am proud of my united country when I hear such glorious reports from its respective States, and prouder still am I that no State reported, or yet to be heard from, can boast of as many blessings as have been showered upon the fair State of Georgia.

To tell you of Georgia's wonderful progress in manufactures and the liberal arts would consume more time than is allotted to me. I could speak of our gold mines, our coal mines; our turpentine and labor; our annual production of 1,400,000 bales of cotton; our splendid climate; our fertile plains, entrancing valleys and heaven-kissing hills; our two fine seaboards; our network of railways, and our chivalric men and beautiful women. The Michael Angelos of the future are to come from Georgia, for is not the snow-white marble of Georgia equal to the finest stone ever cut from the mines of Carrara? The future Murillos and Raphaels are to come from Georgia, for where else on earth can such inspiration spring as from the matchless pink of the Georgia peach, unless it be the peachable blush of Georgia's maiden cheeks. The strenuous rough-rider Presidents of the future are to come from Georgia, for was not the mother of the versatile Roosevelt, the Admirable Crichton of his times, a Georgia girl? You men of the frozen North, and of the wild and woolly West, come down and visit our cities. See Augusta and Columbus, where the unceasing hum of loom and spindle makes night fellow laborer with the day. Savannah, the largest naval port, and third largest cotton port in the world. Atlanta, the gate city—the home of our genial and illustrious Lowry—whose marvelous strides and wonderful growth puzzle and mystify the commercial world. Come to Macon, my adopted home, the best city of them all, the city of which Henry Ward Beecher said, "It is the most beautiful city I ever saw."

COL. LOWRY: Mr. President, we have theNestor of the bankers of the South with us to-day—Mr. John A Davis, of Albany, Georgia. He is about the only man from Georgia who isn't a colonel. I hope you will ask him to say something. I ask unanimous consent that he be invited to address the convention.

THE PRESIDENT: Gentlemen, you have heard Colonel Lowry's request—that unanimous consent be granted to hear Mr. Davis. I suppose there is no question but what unanimous consent is granted. Therefore, I invite Mr. Davis to take the platform.

Mr. John A. Davis, of Albany, Georgia: Mr. President, with your permission I will remain where I am, as I have no speech to make. I am not insensible to the honor conferred on me by my colleague, Mr. Lowry. I suppose his object was to present me to the convention as an object-lesson—to prove that conditions are so exceptional in Georgia that even the banking business conduces to longevity. I know that there are many younger and abler men here in our delegation who could have made this response, but allow me to say that no heart beats for Georgia and her best interests more responsively than mine, and that no lips are more willing to speak her praises. My native State, and the native State of my ancestors—I love every foot of her 58,000 square miles, her mountains and valleys, her lakes and rivers, and her forests and flowers..

This is my first attendance at a convention of the American Bankers' Association, and I am very glad indeed that I came here. I am glad to have the privilege of this occasion. These interesting proceedings show to me the conditions of every part of the country, with all of its commercial and financial organization. These conventions play an important part in giving us a proper appreciation of our high vocation, and afford an experience that we can utilize when we go back to perform the important duties of our business at home. It is appropriate, it seems to me, that this convention should have convened at this time. It is in the nature of a celebration of the Louisiana Purchase, by which the United States acquired from France not only this beautiful city of New Orleans, but an immense territory besides.

New Orleans is the largest and most splendid city in the South; and while there may be some now within the territory that exceed it in population, there is none that excels it in historic memories. The Crescent City, as these decorations all here indicate, has shed over the entire South its benign influence, and it is our wish that prosperity may dwell within its walls, and that peace and plenty shall fill its homes.

Idaho. (No response.)

ILLINOIS.

E. J. Parker, of Quincy: Mr. President, Ladies and Gentlemen—I will only speak of the past and of the promise of the future of our State. First, as to the bank deposits. The deposits have more than doubled in the past few years. In

one bank in Chicago, the deposits have reached almost $100,000,000. In one State bank the deposits have reached nearly $70,000,000. The same growth has been made in many of the smaller cities in Illinois.

The second point is the growth of manufacturing in Illinois. In the past ten years there has been a growth of over 100 per cent. in the number of the manufacturing and industrial institutions of the State. Hence, you will see the trend of manufacturing towards the Mississippi Valley.

Third, the increase in lake, river and railroad transportation facilities. Chicago sends consignments directly to Europe through the lakes and Canadian canals. Imports in bond are coming directly from Europe to Chicago, 1,000 miles from the seacoast. With the completion of the drainage canal a vast water power will be furnished for manufacturing.

I will now state a point of interest to our friends in Louisiana. It is said that the Government should not expend any more money for the improvement of the Mississippi River north of St. Louis. Whether it shall do so or not, the time will shortly come when a Government appropriation will be made for improvement of the Illinois River, and through the drainage canal the Illinois River and the Mississippi River will come consignments to Mexico and South America. You are all interested in that proposition in Louisiana. Under the present able management of the Illinois Central Railroad Company she is increasing her capital stock and increasing her facilities in every way to quicken, cheapen and increase her traffic to the gulf ports. You are all interested in that proposition. So it is with other railroads in the State.

I will not occupy any more of your time in speaking about Illinois.

I would like to speak a moment on the resolution offered by Mr. Sullivan, as to the protection of these vast bank credits. On the leaflet gotten out by our California friends who are here I noticed this phrase: "The value of travel is not in the accumulation of facts, but in the perception of their significance." Going into the United States sub-Treasury has been an increase, in less than eight years, of over $170,000,000. Think of that vast sum and the necessity for reform there. In less than ten years the increase of the exports from the United States has been sixty-three per cent. Deposits in Savings banks, sixty-seven per cent.; in National banks, ninety-nine per cent; deposits in trust companies, 161 per cent. In clearing-house operations the increase has been 160 per cent.; money in circulation. forty per cent! It is obvious, therefore, that the increase of money in circulation has borne but a small ratio to the increase in general trade. Illinois came to this convention with a resolution asking for the appointment of a commission of this association to take up some reform questions. That resolution has been substantially incorporated into the resolution offered yesterday by Mr. Sullivan and referred to the executive council. The executive council will report upon that doubtless this morning.

Now, gentlemen, I want to submit one point to the executive council. With our membership, with money in our treasury, and with the prestige of the American Bankers' Association, has the time not come for us to take a step forward? What did we go through in 1893? Don't fall back again on clearing-house certificates alone, putting out, as we did, all sorts of substitutions in our currency. If that resolution shall be adopted we will have, first, the best economist in the United States; second, the best constitutional lawyer; third, practical bankers and merchants, enlisted, so that we can go to Washington and it will not be alleged against us that it is solely a bank issue, but that it is a measure in the interests of our customers, more than it is in the interests of the banks of the country.

INDIANA.

Henry Eitel, of Indianapolis: Mr. President and Gentlemen—Indiana is happy to report a continuance of prosperity; she has been blessed with bountiful harvests; our wheat crop has been excellent, the yield being over forty-five million bushels, and our corn crop promises to be one of the largest on record, being estimated at one hundred and seventy million bushels. It has required a large amount of ready cash to move these crops, but our bankers do not forget their calendar; they know when seed time and harvest comes, and prepare for it. Money has not been unusually tight, and loanable funds have been ample for all requirements, although interest rates have been slightly higher than formerly. Deposits have been increasing uniformly throughout the State, and many of our country banks are compelled to loan money away from home in order to keep their funds employed.

We have about four hundred and fifty banks and trust companies in the State,

there being a slight increase during the year. We have one hundred and fifteen State banks in place of ninety-five seven years ago, showing that the permission to organize National banks on small capital in the smaller cities has not wiped out these State institutions, as it was expected it would, although a good many State banks have availed themselves of the privilege of organizing under the National Banking Act.

We have had no failures, except one small institution that scarcely deserved the name of a bank. Our private banks are gradually disappearing, the National and State banks taking their place.

The banking business of Indianapolis has had a healthy and phenomenal growth; the deposits are at least three times as large as five years ago. Three years ago Indianapolis was made a reserve city, and deposits have grown very rapidly since. There have also been five trust companies organized in Indianapolis since 1893, and these have more deposits now than all the banks at that time.

We bankers like to talk of increased deposits and many of us display these increases in black type, but after all, are not our deposits our debts? We would not like to have the man on the other side of the counter boast of his debts; if he did he would probably soon hear from us with an invitation to pay up, and perhaps we, too, should be a little more modest, for the time may come, and undoubtedly will, when these deposits, under a financial crisis, will melt like the fog before the morning sun.

Our natural gas is rapidly giving out, but we are having an increased flow of oil, and our coal-mining industry has received a great impetus.

Our farmers are paying their debts and are becoming lenders instead of borrowers. Farming land has increased in value at least ten dollars an acre in the past two or three years.

Indiana lies midway between the East and the West, and takes a tribute of car-mileage on all the freight and travel in either direction.

Our labor is well employed at good wages, and there is work and plenty of it for every one who wishes employment.

Our manufacturers are busy, most of them behind with their orders. It may not be generally known, but Indiana is no longer only an agricultural State; it has become a great center of manufacturing. We have the largest buggy works, the largest wagon works, the largest plow works, the largest axe factory, the largest engine works, and the largest tinplate works in the world. We are second only to Pennsylvania in the manufacture of glass, and perhaps surpass her in our output of plate and window glass. Our manufactured goods are of great variety, and sold in all parts of the country and many of them exported to foreign lands.

Indiana, the home of Hugh H. Hanna and the late ex-President Harrison, stands for sound money and sound banking, and while its recent State convention did not take any action on asset currency and branch banking, a number of speakers in no uncertain tones voiced the sentiment of the association that Indiana was opposed to a circulation based on bank assets or any measure that would substitute the manager or salaried clerk for the present local banker, who in his personal relation is now a force in every community for its best development and upbuilding.

If there is any cloud on the financial horizon, it is not observable within the border land of the State of Indiana.

Indian Territory. (No response.)

IOWA.

Fred Heinz, of Davenport: Mr. President and Gentlemen—As my time is limited, because I know you are all in a hurry to get away on the steamboat excursion this afternoon, I will not detain you with any seltzer-water style of oratory, but will simply say that Iowa is all right and up to date.

KENTUCKY.

E. C. Bohne, of Louisville: I notice that the Kentucky delegation is not very much in evidence this morning. I congratulate the convention that it is so, because I do not propose to entertain you with any long-winded speech about fair women and fast horses and the excellent whiskey of Kentucky. But I desire to state that the sun still shines bright on our old Kentucky home, and the barns are loaded with the blessings of an abundant harvest, and our commercial interests are well developed and flourishing. The wheels of industry throughout our State are

spinning in many places, both day and night, and our mills are all busy, and our marts of trade are full of activity.

As to the banking interests of the State, let me assure you that we are losing no sleep over the Fowler bill; that we are not troubled about asset currency, and that we trust in the good Lord for an emergency currency. We think it wise to establish a lot of little independent banks in every town in the State, and they are doing an enormous amount of good, and giving the almighty dollar a better chance to jump around quickly in settling the affairs of men.

The only thing we have to complain of is the unjust and unfair reputation which the press of this country try to fasten upon us. They say that we are bloodthirsty and lawless and disorderly in Kentucky. Now, we maintain that we are about as generous as anybody, and that with the exception of a very small part of the State the citizens of Kentucky are as law-abiding as those of any other State. We would like to see the people of all the States come down there and make us a visit. We know that they would like us better after it. We would like particularly to see the members of this association come to Kentucky and make us a visit, in order to convince themselves that investments made there are investments well made. If you will come you will be welcome to the very best we have got, and you will find that the latch-string hangs on the outside.

LOUISIANA.

G. W. Bolton, of Alexandria: Gentlemen—As you are holding your convention in the State of Louisiana, I do not think it is necessary for me to say anything. I hope you are all well satisfied with the treatment you have received here. I hope you have had, or will yet have before you go away, an ocular demonstration of the fact that this is a land of flowers and sunshine; and a land of brave men and beautiful women.

Our banking interests are in a fairly satisfactory condition. The most of our banks are organized under our State laws, and there is no trouble with them. They are getting along fairly well. Our banks believe in associating together. I believe the most of them are members of this association already. Out of one hundred and two banks in the State one hundred and one are members of the Louisiana State Bankers' Association.

Gentlemen, come and see us again; we will know you better, and we will treat you as well as we have endeavored to treat you on this occasion at least.

Maine. (No response.)

MARYLAND.

James Clark, of Baltimore: Mr. President and Gentlemen of the Association—We are prospering in Maryland. The bankers have had a very good year indeed, although they have felt the effects of the collection of too much tariff by our Government. Our manufacturers are flourishing; our miners are contented, and they have made no complaint in any way, and the masses of our people find ready employment at good wages. It has always been a part of our creed to believe that our land was a favored spot, situated as we are midway between the North and the South, with a genial climate, and products of all kinds the best in the world. Our women are fair and beautiful, as is known the world over. With all of these advantages within our borders, and with railroads connecting us with all parts of the country, built by our energy and industry, and bringing us daily into closer relation with that fair land so beautifully described by our Southern friend the other day; with our Western friends now engaged in building a railway which they promise to keep free from monopoly, extending from the Ohio to the Mississippi, with whose people we are anxious to become better acquainted and closer related, we feel that our faith in our State is well founded.

Massachusetts. (No response.)

MICHIGAN.

Wm. Livingston, of Detroit: Mr. President and Gentlemen—I know of no State which possesses more importance in the Union than Michigan. Our large agricultural interests, our milling, our manufactures, all combine to make Michigan a wonderfully successful and important State.

Among our manufactures, briefly I may say are furniture, stoves, beet sugar, agricultural implements—a list so long that it is out of question to attempt to relate them here. Within the last three years we have manufactured beet sugar to such an extent that we have become second only to Louisiana as a sugar-pro-

ducing State. In the last three or four years some $10,000,000 has been invested in cement.

Perhaps the quickest and the best way to illustrate how our State has gone forward by leaps and bounds is to mention a few facts relating to the tonnage on the lakes. In the Soo Canal in 1861 only 88,000 tons passed through. In 1881 this had increased to 1,500,000 tons; in 1894 to 10,000,000 tons. In 1898, the twenty-million mark was reached, and last year, 1901, the aggregate total of twenty-eight and a half million tons was reached. I am in receipt of a dispatch from Major Bixby stating that for the year 1902, up to November 1st, it will be about 31,000,000 tons. Last year our tonnage was over three times the amount going through the Suez, being about nine million of tons. You must bear in mind that the Suez Canal runs and is open three hundred and sixty-five days in the year, while our canal is only open a little over two hundred days in a year, the balance of the time it is being blocked with ice.

Is it any wonder that last year an American in London, when he was shown the Thames and was asked if he didn't think it was an immense tideway of commerce replied, "Your little Thames wouldn't make gargle to the mouth of our Mississippi."

Our banking interests in Michigan are all in a prosperous condition. We have two hundred and twenty-five State banks, and eighty-four National banks. Under our present State law, which has been in operation about thirteen years, the State banks have increased one hundred and forty, the National banks in equal proportion. Our deposits have increased in something over six years about $107,000,000,000. Everything in and about the State is in a highly prosperous condition. We hope the time will soon come when we will be able to again welcome this convention back to our gates.

MINNESOTA.

A. A. Crane, of Minneapolis: Mr. President and Gentlemen—As I have listened to these gentlemen responding to all the various States, I have been reminded of the enthusiasm and patriotism of a fellow citizen at a banquet some years ago on the Fourth of July, when someone responded to the toast "Our Country." One of the guests arose and said: "Here's to our country, bounded on the north by the Great Lakes, on the east by the Atlantic, on the south by the Gulf, and on the west by the Pacific." Another gentleman arose and said: "Gentlemen, I desire to propose this toast: "Here's to our country, bounded on the north by the north pole, on the south by the south pole, on the east by the rising sun, and on the west by the setting sun." Another gentleman then got up and said: "You are both wrong. I will propose the toast: "Here's to our country, bounded on the north by Aurora Borealis, on the south by the procession of equinoxes, on the east by primeval chaos, and on the west by the Day of Judgment.' "

So, gentlemen, if I were to respond properly to the call for Minnesota I should only use superlatives. Her star is one of the brightest in that glorious galaxy of States. I shall not weary you with statistics to show our prosperity and greatness. Our mills and creameries furnish the butter for the world; our forests the lumber to build the modest home, the luxurious palace, the temples of trade, and the hives of industry the country over. Our mines supply the raw material for the furnaces and factories of the East, giving employment to the laborer and artisan by the thousand, and our banks are moving our crops without trouble. Thus we add our full share to the wonderful development and prosperity of our great country. Why, gentlemen, the glorious Mississippi, at whose mouth sits this beautiful and hospitable city, and whose broad bosom bears the commerce of the world, has its source in the State of Minnesota.

In our hearts with sweet content,
Under skies in beauty bent,
  Of our North Star State we're singing glad and free.
And our music swells along
On the breezes pure and strong,
  Flowing from the hills and lakes and inland sea.
From old Europe's thrall released,
From our sisters of the East,
  And from Canada, our Lady of the Snows,
Came the stalwart pioneer,
Bearing health and hope and cheer,
  Clearing forest, plain and stream with sturdy blows.

With the Nation's weal in doubt,
Council's hour and battles rout,
  Bear the stamp of Minnesota's brain and brawn.
And while nations shall endure
With hearts of freemen pure,
  Press we on for truth and freedom's brightest dawn.
Hail, all hail to Minnesota,
  Star of patriots proud and free,
 With thy wealth of wheat and pines,
Cities great and iron mines,
 Limpid lakes and rivers running to the sea.

Prosperity and expansion are the keynotes of the time, and we are just beginning to reap the reward of our industry. For more than a century we as a whole people have been employing our capital and energy, exploring, subduing and founding, filling our vacant lands, developing our sources of national wealth and establishing industries that make a people independent. This work of development has been prosecuted so intently that also before we have completed the full measure of our achievement we have become the most formidable industrial power in the world. I wish I were able to portray in eloquent words the prospect which opens before us in these coming years, if we but conservatively and intelligently take advantage of our opportunities. With a land whose material resources are just coming into view, with a climate stimulating to mental and physical activity, with a population strong, vigorous, inventive and full of enterprise, what may we not attempt and expect to achieve in the way of material advancement.

May we do our part in maintaining our nation's matchless future, and with united and unwavering effort seek to advance such principles of manual and commercial practice as shall be unquestioned by justice, equity or fidelity.

God give us men! A time like this demands
Strong minds, great hearts, true faith and ready hands.
Men whom the lust of office does not kill,
  Men whom the spoils of office cannot buy;
Men who possess opinions and a will,
  Men who have honor, men who will not lie;
Men who can stand before a demagogue,
  And damn his treacherous flatteries without winking;
Pure men, sun-crowned, who live above the fog,
  In public duty and in private thinking.

MISSISSIPPI.

R. W. Milsaps, of Jackson: Mr. President and Gentlemen—Mississippi is enjoying her share of the prevalent prosperity. According to the calculation of our State Auditor the total value of assessment property in the State for the year 1902 has increased ten per cent. over that of 1901. This does not show the actual values, but only the assessment values. This does not mean expansion or advanced prices, but represents accumulations of wealth in the way of new fields opened for cultivation and manufactures, and money on deposit in the banks.

Mississippi is fast completing a one million dollar capital without issuing one dollar of bonds or increasing taxation, but is paying cash for it out of the treasury of the State. Until recently Mississippi has been known as an agricultural State with only one industry—cotton raising, and it stands second as a cotton-producing State. Last year Mississippi raised 1,500,000 bales of cotton, and this year the crop will be about the same. Twenty years ago Mississippi had not over a dozen banks in the State, with a few thousand dollars capital. To-day we have one hundred and forty-seven banks, representing ten million dollars in capital. We have fewer National banks in proportion than any other State. This arises from the fact that the National bank laws are not favorable to the rural districts, and we in Mississippi would recommend to the committee who are to report amendments to our National Banking Law that they be changed so as to be more flexible for the accommodation of the agricultural and rural districts, for whatever may be said about United States bonds or investments securities, we find in Mississippi that real estate is the best security we have, and so far as quick assets are concerned real estate is as quick as any other of a security nature.

Mississippi no longer confines itself to agriculture. We are branching out into

manufacturing, and in all departments. In every town in the State we have manufactories. We have seven cotton mills erected within the last year. We have a great lumber interest now. In the counties where hard wood was once thought to be a curse on account of its heavy clearing expense, it has now become a great source of wealth. The same way in the piney districts, they now, on account of those broad districts of yellow pine, have become the most prosperous counties in the State. So that our seacoast counties have shown a taxable product of over a million dollars each.

We have only a little speculation in Mississippi. We have no stock exchanges. We have no bears, except those that hide in the swamps, where it takes a rough rider with a pack of hounds to run them down; but our progress is steady, and I believe it will be maintained. We have but few bankruptcies, and I don't know of any better field for investment than Mississippi.

MISSOURI.

Breckinridge Jones, of St. Louis: Mr. President, Ladies and Gentlemen—The resources, banking and other material interests of the State of Missouri are so prosperous that there is little occasion to refer to them now. The one thing of all others, in Missouri, at this time, that is of interest not only to those of this convention, but to the people throughout the land, is the great Universal International Exposition that is to be held in St. Louis in 1904 in commemoration of the Louisiana Purchase.

In the few minutes allotted to me I can do no more than refer to some of the distinguishing points of that great exposition, and I wish to do that in answer to the suggestion that has been made that it is to be a sectional exposition. I want to say most decidedly and emphatically that it is not to be a sectional exposition, but it will be truly and distinctly international, with larger international exhibits, larger foreign attendance, than any exposition ever held in America.

The money in hand is larger than has ever been provided for any previous exposition in this or any other country. The citizens of St. Louis have contributed $5,000,000; the city has contributed as a municipality $5,000,000; the Federal Government has contributed $5,000,000, and in addition it has appropriated something over $1,300,000 for the Government exhibit; the State of Missouri has contributed $1,000,000. This contribution was carried by the vote of the people, when ninety per cent. of the voting population voted in favor of it. Thus, with $16,000,000 in hand to start with, the exposition fathered by the Federal Government, with invitations accepted by various nations of the world—the exposition will be launched upon a basis unapproached by any previous exposition in the history of the world.

It was thought that the World's Fair at Chicago had been so grand, both as to the area covered and the splendid buildings and exhibits, that no effort would ever be made to reach the same standard, but I can assure you that the lands enclosed in the grounds at St. Louis will be almost double the acreage of Chicago. Not only this, but the floor space in the exhibit palaces will be double what they had at Chicago. In the fifteen grand exhibit palaces at St. Louis each one of them will be larger than any one of the eight exhibit palaces at Chicago, with the single exception of the Manufactures and Liberal Arts Building, and either one of them will have more floor space than all of the exhibit buildings of the Pan-American Exposition at Buffalo. Let me direct your attention to the fact that this exposition will be distinctively international in its character. Already twenty-six of the nations of the world have signified their intention to make exhibits. France alone has eight acres set apart for its exhibit. Germany, England, Russia, are all going to make big exhibits, larger than they made in 1893 at Chicago, because now the United States is recognized as a power among nations. But more than all this, more distinctive in its attractions, will be the fact that for the first time at St. Louis the storehouses of China will be opened to afford an exhibit to the people of the world. The acquisition of interest in the Orient by the United States, and the cordial treatment of China in her recent troubles, have brought the Chinese to a realization of the fact that this will be an opportunity for them to make friends with this country, and those in control in China have entered into it with the greatest zest. The same is true of Japan. So that when the time comes for this exposition I think it can be truly said that it will be great, distinctively international in character, in the sense that he exhibits will be larger and more numerous than any other preceding exposition in the history of the world.

MONTANA.

George L. Ramsey, of Helena: Mr. President and Gentlemen—I daresay that many of you associate the name Montana with the mining industry alone, and that you think it synonymous only with big chunks of quartz, and so on. But such is not the case, because we have many other rich and varied resources. It might interest you to know that Montana is now the greatest wool-producing State in the Union. In addition to that, we take every year from the copper ranges many millions of dollars. It is a fact that Montana sends its tamarack-finished lumber to the State of Washington. It is also a fact that its apples are made into pies in the State of Michigan. Montana's barley is sought after by the breweries of St. Louis and Chicago, and it is even shipped to Germany, where it is made into beer by the nation that first taught us the art of brewing.

While it is not the habit of westerners to talk in superlative adjectives, yet I hope you will indulge me while I say to you that Montana has the greatest per capita production of any State in the Union. The reason is that it is a State large in area and sparse in population. Although it is six times as large as the State of Louisiana, yet our whole population is 50.000 less than the city of New Orleans alone. You can appreciate from this that it invites capital and labor. However, things are progressing now, and if the same ratio of increase in population goes on for the next ten years we will have half a million people. The State of Minnesota fifty years ago had but 6,000 people, while to-day it has over 2,000,000 people.

I suggest, gentlemen, that if this convention meets next year on the Pacific coast you take the time to stop off at Helena and look through the State of Montana as much as you can.

NEBRASKA.

C. F. McGrew, of Omaha: Unfortunately for Nebraska, but fortunately for you our orator is not in attendance at this convention. Nebraska is one of the northern children of the grand old Commonwealth whose hospitality we are to-day enjoying.

Nebraska's health was never better. She was born less than fifty years ago, but stands to-day one of the greatest agricultural States in the Union. We have been told by one of the speakers that the alluvial soil of this State is composed of the washings down of the Mississippi River of twenty-nine States. I would like to say that if that soil was analyzed I believe you would find that the richest portion of it came from the State of Nebraska.

Nebraska is the best understood State by a few and the greatest misunderstood State by many of any in the Union. Those who have never visited the State do not realize the great climatic difference that exists between the eastern line and the western line of the State, with a rise of over 2,000 feet. We have the richest and the greatest solid body of agricultural producing land in the world under cultivation. Had the old proprietors of the Louisiana Territory ever seen the fertile fields of the rich valleys of Nebraska, the best and most profitable real estate deal the United States ever engaged in would never have been consummated.

We produce to-day 350,000,000 bushels of corn per year; 100,000,000 bushels of wheat. At one market within the State are sold each day three-quarters of a million dollars' worth of live stock, to be manufactured into meat products in this country and elsewhere.

I would not want to give you our condition as to banking for fear that those gentlemen who are advocating branch banking might come out to our State. They did not come there in 1896. That was the time when they ought to have engaged in this branch banking that they are now talking about. To-day the field is well occupied, and we are endeavoring in our own humble capacity to take care of it. We also have to contend with those who advocated the use and the payment of our debts in other than a sound, honest currency. But we have wiped them out. We believe that every obligation, whether incurred by a banker or a corporation, should be paid in sound and honest currency, the same that the debt was contracted in. May the day never come when those who are the guardians of the wealth of this country, from the laborer to the capitalist and to the corporation, when they will say that the obligations which they have incurred shall ever be paid in anything except a currency which shall be staple the world round.

NEW JERSEY.

S. H. Blackwell, of Princeton: Mr. President and Gentlemen—I will say for the State of New Jersey that we wish to report continued prosperity. The State is

free of debt. We raise in our State everything from peanuts to million dollar corporations. For the details, I refer you to the encyclopædia.

New Mexico. (No response.)

New York. (No response.)

NORTH CAROLINA.

John F. Bruton, of Wilson: Mr. President and Gentlemen—The gentleman who was to have responded for North Carolina was kept from this convention on account of sickness. Hence, North Carolina must suffer. There is this peculiarity, however, about a North Carolinian: they are a very modest people; when the name of their State is called they answer promptly, whether at home or abroad, and they are represented in every State and Territory of this great country. They are ever ready to join in song or prayer, or chant, "Carolina, Carolina, heaven's blessing attend her!"

I have no statistics, gentlemen. We are told that in the last analysis there are three grades or classes of liars: the unconventional, common every-day liar; the mean ugly liar, and the statistician. However this may be, I am sorry I am not a statistician, because I do not believe our State would suffer in comparison.

North Carolina is as good as any State. Some of us modestly think she is better than some. Conditions in North Carolina are flattering. There is one class who are content, having seen the glory of the work of her State's sons. There is another class, with long faces, worried, chafing, suffering, being surrounded by the substantial evidences of prosperity, yet worrying for fear trade won't be so good next year. Then there is another class who, with eyes bright and with faces turned towards the rising sun, they are as young men crowned with liberty, and strong men to run the race of the world. Conditions in North Carolina inspired the utterances of Mr. Brown, who spoke so eloquently on the sunny South the other day, and I ask that the best part of his speech may be treated as an appendix to my remarks this morning.

This is my first attendance upon a convention of this association, gentlemen, and I can say that it has been both pleasant and profitable to me. I think I can speak for my class when I say that I trust, gentlemen, upon your return to your homes you will find your good wives and children well, and that your institutions have not suffered in consequence of your absence.

North Dakota. (No response.)

OHIO.

I. E. Knisely, of Toledo: Mr. President, Ladies and Gentlemen—Ohio is always ready to come to the front. Whatever may be said by speakers on the Call of the States, however enthusiastic they may be, or however modest, there is one place that is in the hearts of our countrymen—and that is Ohio. It needs no orator to claim the position of Ohio among the States. Her people live everywhere. They have gone forth with the energy and enterprise natural to the people of her State, helping to build up the whole country. You have heard what has been said of Michigan, of Indiana, and of Kentucky. They are the satellites of Ohio, and if all that has been said of them is true, what must be the luster of our State. Surrounded by States such as Michigan, Indiana, Kentucky and Pennsylvania. More than that, upon the north a lake whose commerce now and in time to come is worth more to Ohio than if fertile fields and inexhaustible mines were hers where the lake now lies.

We do not desire to present any statistics. They might be discouraging to those that shall follow me, and they might be like a gin-fizz, a kind of a drink that I see they have down here, that would make the people dizzy. Our banks are prosperous. We have over eight hundred of them. You may judge what the business is when I tell you that it takes all these banks to do it. The combined banking capital and surplus of Ohio ranks fourth in the order of the States. We are prosperous in all other lines of business. We used to pray for prosperity. We have overdone that. Prosperity has come to us, and we are about ready to beseech Providence to let well enough alone.

Ohio is fortunately located. It is the gateway of all the merchandise of New England and the Eastern States that is carried west.

I thought when Louisiana was spoken of the other day that there was not much left. They are entertaining us right royally down here. But there is just one thing that I could have added to the programme, and that is, I wish they could have put their mosquitoes in winter quarters a little earlier. I notice, too,

that there is in this city at the present time a convention of women—the Daughters of the Confederacy. God bless their noble work and their charity. In that convention there is a division called the Ohio Division. Not only that, but when I came down here I came by the Queen & Crescent. We have the Queen City, in Ohio, and down here in Louisiana they have the Crescent City. We have brought down to this convention more delegates than any other State in the Union. I trust that when our women met the hospitable women of the South and their hands clasped it was with the pledge that the union of the North and of the South should be one and inseparable forever.

OKLAHOMA.

J. W. McNeal, of Guthrie: Mr. President, Ladies and Gentlemen—I want you to understand that I represent the baby of the United States—and that it is the hottest baby in the bunch. Oklahoma is but little understood, apparently, from the inquiries made by the delegates at this convention. The word is of Indian derivation, and according to Indian traditions may mean the Home of the Redman, or the Beautiful Land, or the Land of Home. Any one of the definitions would apply, with the Indian theory of the meaning of the world.

In 1890 a small part of the Indian Territory, about the size of the State of Rhode Island and the State of Delaware, was opened to settlement under the name of Oklahoma. Each year thereafter additional lands have been ceded and added until now the Oklahoma part of the Indian Territory comprises 39,000 square miles—an area equal to that of Ohio and Indiana. We still have 31,000 more square miles to add, when we will be a State of 70,000 square miles!

In 1900 we had a population of 800,000 people. Since that time several reservations have been opened to settlement, and it is safe to say that now there are over 1,000,000 people living in Oklahoma.

Some of you have but little idea of the size of our State. Why, let me tell you that we can set down the State of Maine as the center; we can add to it Massachusetts, Connecticut, New Hampshire and Vermont; then take Rhode Island, New Jersey and Delaware, and then you will have just about the size of Oklahoma —bigger than all the New England States!

When it comes to banking, we have in private and National banks together four hundred and thirty-nine in number. I heard Captain Fletcher brag that Arkansas had one hundred and forty-seven banks. Now, we are not in the habit of bragging out in Oklahoma, yet facts speak for themselves. We have a deposit that will average $40 per capita. In the school population we have 350,000 school children. We have more school children than the combined population of Wyoming, Nevada and Idaho. We have more population than the combined population of Idaho, Montana, Nevada, Utah, Delaware and Wyoming. Still, we are not much known, and the gentleman who prepared some of the data about these other States for me didn't seem to know that Oklahoma was on the map.

I have heard some of the delegates here brag about their beautiful women, and all that sort of thing. Well, gentlemen, we haven't reached that stage yet, but we do brag on our beautiful babies.

I have only one word to say in conclusion, and that is that the people here from New England and from other Eastern States, and from the Southern States have little idea of the magnitude of this young Territory of ours—in fact, they have so little idea of the magnitude of it that it is absolutely embarrassing to me to stand up here and explain that Oklahoma is in the center of the Louisiana Purchase; and, while our friend has had a good deal to say about the State of Ohio, I want to say that the first year of my life I never was outside of that State, but I feel like this: I will never go back on Ohio, and never go back to Ohio, either.

OREGON.

Benjamin I. Cohen, of Portland: The banking situation of the State of Oregon is eminently satisfactory and the reasons therefor are not far to seek. The State of Oregon is about 368 miles from east to west, and about 280 miles from north to south; its area, 94,560 square miles, being more than double that of Louisiana. It is divided into three great geographical and climatic divisions, viz.: Western Oregon, which includes the Williamette Valley; Southern Oregon, containing the valleys of the Umpqua and the Rogue rivers, and Eastern Oregon, sometimes called the Inland Empire. The latter portion of the State contains the vast wheat fields, whose soil, resembling that of Sicily, is of inexhaustible fertility. Its climate is

continental—the summers are hot, and the winters cold; though neither heat nor cold is excessive. On its extended ranges graze sheep, cattle, and horses in countless thousands; and its shipping point, The Dalles on the Columbia River, is perhaps the greatest primary wool market in the world. Our canned salmon is famous the world over. Southern Oregon has a mild climate without excessive heat; its rainfall is sufficient but not superabundant, and its productions include the finest grains and grasses of the temperate zone. Both Southern and Eastern Oregon contain vast deposits of gold. Our mines have already produced millions of dollars of the precious metal, and their development is as yet in its infancy.

The great Willamette Valley, which comprises the principal part of Western Oregon, is a world of itself. Its area is about the same as that of the Kingdom of Belgium, and it is well adapted to support a dense population. Every foot of this lovely valley will produce crops. Its wheat is of the best that grows. It yields hops in abundance and of the finest quality; all the fruits of the temperate zone—rye, oats, barley, teazels, prunes, plums, pears and apples. Its dairying and stock interests are large and rapidly increasing. It is watered by the Willamette River, and it is bounded on the west by the Coast Range mountains and on the east by the Majestic Cascades, with their superb monarch, Mount Hood, towering to the clouds and clothed in perpetual snow.

The climate is mild and rainy. We have cool nights all summer long and in winter there is an occasional snowstorm, but men can work outdoors every day in the year with no greater discomfort than that of wet garments. It is a healthful climate conducive to longevity and a serene old age.

To the north we are separated from our sister State, Washington, by the Columbia River. The Columbia is one of the greatest rivers in the world. It drains an area of 245,000 square miles, which is about equal to that of the following States combined: Maine, 29,895 square miles; New Hampshire, 9,005; Vermont, 9,135; Massachusetts, 8,040; Connecticut, 4,845; Rhode Island, 1,963; New York, 47,620; Pennsylvania, 44,985; Maryland, 9,860; Virginia, 4,012, and Louisiana, 45,420; a total of 249,988 square miles. The normal flow of the Columbia River is greater than that of the Mississippi. It is true that at extreme high water the Mississippi has the greater volume; but for nine-tenths of the year the Columbia can discount the Mississippi River and still have water enough to supply its banks.

The chief city of Oregon is Portland, which lies in the northern end of the Willamette Valley at its junction with the valley of the Columbia, and therefore controls much of the trade of Washington as well as that of the State of Oregon. It is a most beautiful city, having a population of about one hundred and five thousand. It has been said that Portland is the third wealthiest city in the world per capita. It lies on the Willamette River, about twelve miles from its junction with the Columbia. Enormous steamers and sailing ships from all over the world seek our wharves. Our banks and trust companies supply capital to run our factories and to carry on our export trade and domestic commerce. We manufacture lumber on a vast scale. Our flour-milling industry is one of the largest, and Portland capital dominates the flour trade of the Northwest, owning, besides its home mills, others at Oregon City, Salem, Tacoma and Spokane. Portland is the greatest railroad center on the Pacific Coast. Three transcontinental lines run into our city over their own tracks and two others send in their trains under trackage contracts. Our canned salmon, hops, wool and much lumber are thus sent east by rail. Our wheat we ship by rail and steam in vast quantities to the United Kingdom, South Africa, Australia, and other countries. We are shipping the largest lumber cargoes that have ever been sent from any port in the United States to Vladivostock for the use of the Russian Government in building the Trans-Siberian railroad; and to China, Japan, the Philippines and other parts of the Orient, to South Africa, and to South America.

Our import trade is also large, comprising all such articles as can be brought from Europe by steam or sail, as well as teas, silks, rice, matting, fruits and other products of the Orient.

The only water-level pass through the mountains from Mexico to British Columbia is the gorge of the Columbia River, and this has made Portland the great commercial and financial center of the Northwest. We own or control mills, factories, buildings, commercial houses or banks, in all parts of our own State, and in Tacoma, Seattle and Spokane, in Washington.

In 1804 President Jefferson, who had concluded the Louisiana Purchase, sent Captain Meriwether Lewis and Captain William Clark on an exploring expedition to the Pacific Coast. In 1902 we shall hold the Lewis and Clark Exposition and

Oriental Fair to celebrate the centennial of their arrival on the Columbia River. We want each and all of you to visit us on that occasion. You will find that we are a hospitable people. Nature has been very kind to us. We can show you lovely valleys and towering mountains, majestic snow peaks and lofty waterfalls; the noblest of rivers and boundless forests. Over all, our moist climate casts fleecy veils of softest mist, that, flecked with sunshine, clothe the mountain sides in tender tints of blues and grays, that are at once the delight and despair of the artist. Come, then, and let us welcome you to our home—

"To where Mount Hood in glory bold
Stands flashing back the morning light,
And keeps the sunset gold."

Pennsylvania. (No response.)
Rhode Island. (No response.)

SOUTH CAROLINA.

W. J. Roddey, of Rockhill: Mr. President—A certain South Carolinian, I think more noted for his readiness than for his accuracy, but with considerable military ambition, was on one occasion being examined by a military officer with a view to his promotion. The officer, with great sternness, asked him this question: "Suppose you saw the enemy approaching in a hexagonal position, what would be your line of action?" "Fight like hell, sir," was the prompt response.

A gentleman from South Carolina who was scheduled for this speech is not here, and I have been asked to take his place. His weight is 250 pounds, while I only tip the scales at 200 pounds. The consequence is that I am not affected with hypnotic tendencies, but with more or less of the paralysis spoken of by Mr. Fowler yesterday.

At the entrance of one of our southern cities as you go out on the railroad station you will see on the little restaurants that are along the streets, signs reading "Open all night; we never close." A little Chinese restaurant bears this sign, "Me waitee too." Most of the people here have heard of South Carolina. We took a prominent part in the unpleasantness of 1861—most too prominent. We also regaled the nation with a little Senatorial fisticuffs recently.

In a general way, I feel that I could not eulogize South Carolina better than to say that we are sandwiched in between North Carolina and Georgia. Allow me to say that both of these States brag about themselves fine, and a little of reflected glory can come to South Carolina—one of the original Thirteen States.

We are prosperous in South Carolina. Probably you have not heard anything of that kind from this platform to-day. Always the political rival of Massachusetts, we are running neck and neck with her for commercial supremacy in the line of cotton manufacturing, and South Carolina to-day is the second manufacturing State in the line of cotton products in the United States. When it is taken into consideration that while in point of age we are not a baby, yet from a commercial standpoint we are very young. Possibly no State in the Union suffered as we suffered. Certainly no State in the Union has risen as we have risen. The temper of our people is more or less volcanic. The temperature is at the boiling point, and we are making a long, fast race with head up and tail over the dashboard. We have no apologies to make. We have got a way of borrowing everything the New York bankers will let us have, but this year we paid everything back, and I don't know why, but there are only three of us that came to this convention, and I wouldn't have you think the other fellows haven't paid off their debts. Our bank deposits are larger than ever before, and we are getting along finely. There is no kick coming from South Carolina, I can assure you.

South Dakota. (No response.)
Tennessee. (No response.)

TEXAS.

I. H. Kempner, of Galveston: Mr. President and Gentlemen—I was called upon at very short notice to respond for Texas. As a loyal Texan, when the name of Texas is called I am only too proud to respond. I believe it is eminently fitting that a young man should respond, because Texas is going forward with all the impetuosity and fire of youth. I feel particularly glad of the opportunity as a Galvestonian to take advantage of this occasion to thank the American Bankers' Association for having two years ago in our hour of disaster sent us promptly material aid.

I am, I believe, neither a liar nor a statistician, and I will not attempt to regale you with what Texas has done or can do. But in the name of Texas I invite you to visit us. We will take you in from the Crescent City by way of the wonderful oil fields of Beaumont; then to the Flatlands of Eastern Texas; then we will take you over to the city of Dallas, from which there is shipped and sold more farming implements than from any city in the Union; then we will take you to Fort Worth, where Chicago capital is now constructing two enormous packing plants whose daily capacity is such that they will consume each day $300,000 worth of products; then we will take you to San Antonio, one of the richest cities in historic association in the State; we will take you then to Houston, the railroad center of the State, and one of the most magnificent business marts in the world.

And while I have given you only a fleeting idea, I would not have you omit my own city of Galveston. Magnificent in her prosperity, undaunted in her adversity, she stands to-day, thanks to the generous contributions of the charitable people, the foremost port of the Trans-Mississippi country, and destined on the completion of the oceanic canal to rival as the metropolis of the Gulf States those of the Mediterranean Sea.

Gentlemen, I thank you, and I hope this association will come and hold its convention with us in the near future.

Utah. (No response.)

Vermont. (No response.)

VIRGINIA.

Rufus A. Ayers, of Big Stone Gap: Mr. President and Gentlemen of the American Bankers' Association—In the struggle for commercial supremacy which is now going forward so strenuously, the American people are probably the busiest people on earth, and I will say for Virginia that she is a bee-hive of industry from the ocean on her east, to the mountains at her west. We are satisfied with what we have accomplished within the past five years. We have shared liberally in the prosperity which has come to our entire land, and we can say that our industries have prospered also. We start from tidewater, where we have a big ship-building plant, proceeding to Richmond, to Petersburg, where there are iron furnaces, immense factories, coke ovens and mines, shipping the black diamonds of commerce throughout the land. Norfolk is also a great port, from which coal is shipped to almost every country on earth.

I say that we, the bankers of Virginia, are very well satisfied. We believe that the prosperity of this great country, the progress in our substantial wealth, is unprecedented. There is nothing with which we can compare it in the achievements of any nation, ancient or modern. We feel, however, that in all probability we have arrived at the flood of this commercial activity—this commercial prosperity—and while we are not pessimists, but, on the contrary, are optimists, we believe that the surest safeguard is caution and prudence, and the preservation of confidence, which no asset currency or clearing-house certificates will compensate for. We believe that we should have asset currency speedily issued when it is required, and we also believe that it should be speedily retired as soon as the need for it ends, and we further believe that ordinarily we have plenty of money for all the needs of the people.

WASHINGTON.

James D. Hodge, Jr., of Seattle: It is with some diffidence that I rise to respond for the State of Washington. It is unfortunate for us at this time that we are so far down on the roll call; not that we feel that all of the good things have been said, for, gentlemen, we modestly affirm that we could not begin to do justice to our great State within the space of time alloted to us.

When I was told, upon reaching here, that I would likely be called upon to say something about my State, I was somewhat in the position of the man who was attending his wife's funeral, and who, when told that he would be expected to occupy a carriage with his mother-in-law, said: "Well, of course, I reckon I can do it, but it is not the easiest thing in the world for me to do."

In responding for our State, I presume you would be interested in knowing the state of our health first. We are a healthy lot; in fact, few, if any of us, go so far west for our health. But, seriously, Washington affords a climate that could not help but please the most fastidious, even though one stops to consider that we are situated in, say, latitude 47 and longitude 120, and in the most extreme northwestern section of the United States. The State of Washington is divided in the center by a chain of mountains known as the Cascade Range, with the eastern

part mostly high, dry and cleared, resourceful with various minerals, rich fruits and farming lands, and ranges for stock-raising; while to the westward, as far as the great Pacific, there abound thousands upon thousands of acres of rich timber lands, portions of which having been cleared are found valuable for almost any purpose.

In the western part of the State there is more rain than in the eastern, though the average rainfall for the past ten years has not exceeded thirty-six inches.

The temperature is seldom beyond eighty-five degrees and has fallen to ten degrees above zero only three times within the last ten years. On the coast we get what is known as the "Japan Current," which corresponds to the "Gulf Stream" on the Atlantic coast, which seems to permeate the country for miles to the interior, and which, it is claimed, serves to temper the climate with us to a great extent.

Resources: Now, gentlemen, it is a pleasure for a citizen of our State to boast of its great resources—why, we can raise almost anything.

We are a busy people out in the State of Washington—busy meeting the demands of the great markets for our products. For instance, take our timber this year. We will cut and market more than 869,500,000 feet, to be sold not only in the rough and manufactured lumber, but in shingles, which have a ready market throughout the entire country, and with the demand steadily increasing as the years go by. Eastern lumbermen, realizing that it is a question of but a short time until the timber of the Middle West will have been exhausted, are now in our section, securing valuable forest preserves.

Our mineral resources are, one may say, in their infancy; although gold, silver, copper, lead and coal have been found in abundance and mined in a small way; but as yet awaited capital for their full development. We have, however, actually mined and sold 2,500,000 tons of coal during the past year within the very borders of our State. Iron ore, too, has recently been discovered in large quantities, and a large steel plant on Puget Sound is now nearing completion.

The farming section of Eastern Washington cannot be excelled, go where you will. The soil, climate, and all facilities are inviting to the farmer. To say nothing of the hay, oats, grain and fruits, Washington will produce this year more than 28,000,000 bushels of wheat, fully twenty-five per cent. of which is manufactured into flour right in our State, and exported to the Orient, the trade of which lies at our very door.

The past year our fishermen have caught, and there were canned, over $3,500,000 worth of salmon alone.

But it is not the present to which I wish to especially call your attention, gentlemen; it is rather to the great future of our section of the country. When you go back home, take down your map, and note, if you will, the relative position of the State of Washington. Geographically we are certainly the "gateway to Alaska," the land of gold, and whose wonderful resources are as yet in their infancy. Observe that the port of Puget Sound is fully fifteen thousand miles nearer the principal Oriental ports than any other port along the Pacific Coast.

Our people are prosperous, there being more than fifty millions of dollars on deposit in the banks of our State to-day.

Our needs are but few and our demands modest. We want to see a liberal shipping bill to encourage our merchant marine, thus stimulating the building of new vessels that will ply the mighty ocean and restore the American flag to the place she so righly deserves on the high seas.

We are a young State, full of pride and ambition, and I assure you, gentlemen, I speak enthusiastically for the banking fraternity of Washington, when I say that you will at all times be welcome within our borders.

WISCONSIN.

George L. Field, of Ripon: Wisconsin is far down the line in alphabetical precedence, but I have the honor to report advances hand in hand with our sister States in the onward march of material mental and moral achievement. Resting her head far north in the deep waters of Lake Superior, supported on the south by the great State of Illinois, hemmed in on the west by the magnificent corn fields of Iowa and the wheat fields of Minnesota, her eastern side dotted with ports that feed our inland seas with a vast aggregate of raw material and varied products, and within her borders she contains the elements of utility, comfort and luxury which her people with wisely directed and untiring industry are converting for the benefit and enrichment of the Commonwealth.

The State of Wisconsin is in a prosperous condition. The agricultural population is content, with abundant crops and satisfactory income. Lumbering was never so thoroughly and profitably conducted, largely in the hard wood which in early years received but little attention. Furnaces are glowing. The music of the forge is heard all the day long. Manufacturers of a great variety of machinery and useful goods are operating their plants to their utmost capacity and finding ready markets. Enormous mills are converting in vast volume the abundant and former useless timber into a great variety of papers that are in demand by nearly every nation. The production of cheese continues pre-eminent in quantity and quality. The manufacture of butter of the highest grade is a very important business, and the product is speedily sold in the best markets. Beer in immense quantities, and none better, is equally sought for by the appreciative public, and bedsprings in amazing number.

Within a recent space of time a remarkable and unlooked-for development of our agricultural resources has been presented. It is known probably to all of you that the northern half of the State has been the field of gigantic lumbering operations and equally well understood that the land, divested of its timber, has been regarded as practically valueless for tillage. But lo! a revelation. The practical farmer has made a discovery, and these lightly valued lands are becoming a veritable garden. Already thousands of acres, the stubble fields of mighty forests, are being converted into farming lands bearing the choicest crops and the finest grains and furnishing abundant graze for beef and milk-producing cattle. Hamlets, villages, towns, centers of trade and convenience are springing up in these hitherto remote and almost inaccessible regions known only to the woodman's axe and the sportsman's guide. So that the one former overshadowing interest is now being superseded by the hand of toil that ceases not, and as years and years go on, will bring forth home, comfort and independence for the trusty tillers of this virgin soil.

Turning from the material to the mental view, a noble university, many colleges, numerous institutions in varied departments of learning, and unexcelled public and private schools, are guiding our youthful citizens to lives of thoughtful usefulness.

A marked improvement in the architecture and equipment of our church edifices and religious institutions is apparent to the most superficial observer, and thus are we gently led in the paths of peace and integrity.

But I beg your forbearance. In the midst of this cordial and generous reception by our brothers of the South I had well-nigh forgotten that we are bankers, and will only impose upon you to say that banking in Wisconsin was never more prosperous or on a sounder foundation, in which State, National and private banks equally participate. Gentlemen, I thank you.

Wyoming. (No response.)

Hawaii. (No response.)

THE PRESIDENT: This concludes the Call of States, and I now introduce to the convention Hon. Theodore E. Burton, Member of Congress from Cleveland, Ohio.

FINANCIAL CRISES AND THEIR LESSON.—ADDRESS BY HON. THEODORE E. BURTON.

In order to understand the nature of financial crises it is necessary to study the whole field of trade and industry. They are not independent events, but bear close relations to changing conditions in the business world. At the outset it is necessary to define three terms: Financial crisis, depression, poverty. John Stuart Mill has defined a financial or commercial crisis as follows: "There is said to be a crisis when a great number of merchants or traders at once either have, or apprehend that they shall have, a difficulty in meeting their engagements." The crisis which he defines is essentially financial. It is most keenly felt at banks and in financial centers. It may occur when trade and industry are not seriously affected. It is of brief duration, and may or may not be followed by a prolonged disturbance.

A crisis is, however, usually a signal or introduction for a period of prolonged disturbance during which a decided change for the worst occurs. This disturbance may be described as a depression or a period of depressions. A depression may be briefly defined as a protracted season in which the activities and profits of an industry and trade fall materially below their normal level. Poverty describes a

condition still more prolonged than a depression, and one which is of a permanent nature. Crises and depressions appear in highly developed countries where trade and industry flourish, and there is a rapid progress. Poverty exists where there is a general condition of stagnation, and development either does not exist or is very slow. Crises and depressions are severe in countries which from decade to decade show the greatest increase in wealth and material prosperity. An eminent financial writer has said: "Paradoxical as it may seem, the riches of nations can be measured by the violence of the crises which they experience." If, instead of "riches of nations," he had said "Rapidity in material development of nations," this statement could be accepted as substantially true.

CAUSES OF FINANCIAL PANICS.

In order to explain this singular phenomenon, that the most advanced and progressive countries suffer most from crises and depressions, it is necessary to seek their causes. Their underlying causes can be traced to the inevitable changes which characterize modern industrial and commercial progress, to the aggressive spirit and energy of progressive peoples. These changes require the constant absorption of exceptionally large amounts of capital in great enterprises, the completion of which requires a considerable time, or which when completed are not immediately profitable. This class of investments disturbs the normal relation between expenditures for the future, and those required for early utilization. Illustrations may be found in such instances as the building of the great transcontinental railways, the Hoosac Tunnel or the underground railway in New York City, or the investment of capital in great establishments which are made necessary to meet some new demand of public utility or convenience.

Equally disturbing are those changes in methods of production or manufacture occasioned by inventions or by improved machinery and methods which require the substitution of new appliances and equipment for the old. These changes require the loss of much of investment which has been utilized for prior demands of production. Material and appliances which have been used to furnish supplies are abandoned to the scrap heap, and great investments of capital are lost. An incident of this progressive tendency is the unequal development of invention in different lines, and greater profits in certain branches of business or manufacture than in others. As the result of this, there is an absence of equilibrium between different lines of production; too much is produced of some things, too little of others. In a period of advancement also, when there is an increased demand for the necessities and luxuries of life, there is an incidental tendency to over-action, or to engage in an unusual number of unprofitable undertakings, manifesting itself in seasons of expansion by an unusual amount of speculation and fraud.

The course of advancement is marked by a demand for increased production which stimulates enterprise. This is attended first by a rise in prices; then by a great increase in the equipment for production; and later by an over-supply which causes prices to fall. In tracing the course of these disturbances, prices almost always reach and pass a maximum before a crisis occurs. The crisis comes when, instead of a demand greater than the supply, the supply is greater than the demand, and there is a glut in the market. Manufacturers and traders are confronted by slower sales and by diminished profits.

In the banking business, the visible indications of the approach of a crisis are an increase of loans and discounts, that is, an increase greater than that which is required by the ordinary expansion of trade and industry; by a decrease of deposits, at least of deposits not based on discounts; by a rise in the rate of interest, or a scarcity of available money; also by a decrease of specie and of bank reserve.

One of the most accurate indications of healthful financial conditions or the reverse is the relation between specie and loans as shown by the statements of the bank. In the first half of the last century this was the infallible indication. While this same indication now forecasts the approach of a crisis, it is much less prominent. The same conditions which have caused its diminished prominence as an indication, have also lessened the severity of crises. Among them are the growth of international financial relations and the recognition of a general interest which renders it desirable that the stronger should support the weaker, and all should unite in giving attention to localities or interests where disturbances exist. As a result, assistance is rendered where support is needed in time of stress. There is also the adoption of substitutes for money which diminishes the strain

on the monetary supply, metallic or paper; the larger capital invested in the banking business; the custom of increasing the rate of discount at a time when gold reserves begin to diminish and, as important as anything, the greater skill and prudence exercised by bankers.

EXISTING CONDITIONS IN THE UNITED STATES.

In the consideration of crises in our own country, it is necessary to take into account certain exceptional conditions which have existed or which now exist here. Among the most notable causes of crises in the United States in the past has been the lack of certainty that paper money would be redeemed in specie, and in the standard of value, whether it should be gold or silver. Great losses and great disturbances have arisen from the evils of irredeemable paper currency. A further injury has arisen from frequent changes and constant agitation, in regard to vital matters of economic and fiscal policy, such as tariffs and the issue of paper money. Happily, recent legislation has given assurance of the maintenance of the gold standard, and public sentiment has unequivocally declared against sudden changes in economic policy.

A MORE ELASTIC CURRENCY NEEDED.

The notable defect at the present is the absence of elasticity in our currency, with the resulting scarcity in times when large quantities of money are required, and the tendency to speculation when money is redundant. It requires little discrimination to discover that the demand for money is unequal at different seasons of the year, and in the same seasons of successive years. The term "Autumn drain" has been applied to the great demand for currency in the autumn season. It is clear that the quantity of paper money should be so regulated that it may increase or decrease according to the requirements of trade.

The function of the Treasury as a bank of deposit also has an injurious effect, because of the tendency to lock up money in the Government vaults when it is most needed, and to disburse it in large quantities when a less supply would be sufficient.

A remedy for these two conditions, the absence of elasticity in the currency, and the accumulation of money in the Treasury, has been advocated by those who say that the Government should go out of the banking business. The issuance of greenbacks in the time of war was clearly intended as a temporary expedient. President Lincoln, in his message of December 1, 1862, seemed to take the view that the United States notes were of doubtful expediency, and to regard the issuance of paper money as the function of the banks.

While the proper custody of Government money presents a difficult problem, it would seem that some method might be devised under which a limited amount, as nearly equal as possible, from month to month, might be retained by the Treasury, and the balance made part of the circulation.

For the practical management of banks with a view to prevent crises, no rules can be formulated better than those stated by Mr. Bagehot—first, that in the time of alarm, loans should only be made at a very high rate of interest. This course, he says, will operate as a heavy fine on unreasonable timidity, and will prevent borrowing out of unnecessary precaution. Second, that at this high rate, loans should be made on all good security, and as largely as the public ask. He says what is wanted is to diffuse the impression that though money may be dear, still money is to be had.

The question when another crisis will occur presents an interesting inquiry. The answer is rendered much more difficult by the different conditions which prevail preceding each successive crisis, and especially at the present time. The exceptional conditions of the present are much more marked in our own country than elsewhere. We have attained a commanding position unknown in any other country. Our development has not only been great, but it has been attended by an unusual degree of equilibrium between production and consumption, by skill and aggressiveness in obtaining access to new markets, and by a recognition of community of interests not known before. In several foreign countries, if we may judge by the ordinary indications, the unequalled prosperity of recent years has reached and passed its zenith; but such does not seem to be the case in the United States, though surely a diminished purchasing power in other countries must in time have an injurious effect upon our country.

One general factor of the most important nature, which cannot be overlooked in the present situation, is the great increase in the production of gold in the past

ten or twelve years. This increase stimulates trade by increasing the monetary supply and by rendering it easier for the debtor to meet obligations. Such an increase would naturally be attended by a very considerable increase in prices, but this increase in prices has been very much diminished by the cheapening processes of invention, and by improvements in manufacturing and in transportation, and in the methods of managing business enterprises. An increased supply of metallic money has usually been attended, not only by a wholesome increase of wealth, but also by an unhealthful stimulus to industry which in time causes over-action and results in a crisis; but the present development is marked by such harmony and such adaptability to new conditions that the injurious results which attend an increase of metallic money have not been felt as much as in previous years. It must be expected, however, that so great a prosperity cannot continue without abatement. Still, it is certain that such crises as may occur will be but temporary checks in the great forward movement. This is especially true in our own favored land. Our aim should be to establish such a degree of steadiness, and to exercise such a caution in our business growth as will reduce to a minimum the deleterious effects of crises and depressions.

THE PRESIDENT: The chairman of the executive council wishes to make a report on behalf of the council.

F. G. BIGELOW: Mr. President and Gentlemen—The executive council directs me to report recommending the adoption of the following resolution, which was presented to the convention yesterday and referred to us:

Resolved, That this association records its unqualified approval of the enactment of a law imparting a greater degree of elasticity to our currency system, making it responsive to the demands of business interests; also

Resolved, That we favor the appointment by the President of this association of a committee of seven citizens of the United States, selected with reference to their ability and high character and their experience in monetary affairs, representing different parts of the country, for the purpose of considering the entire subject and report to the next meeting of this association.

On motion of Joseph G. Brown, of Raleigh, North Carolina, the resolution was adopted.

On motion of Mr. Le Gendre, of New York City, a vote of thanks was tendered Mr. Burton for his able and wise address.

P. C. KAUFFMAN, of Tacoma, Washington: Mr. President, I desire to present to the convention an invitation from the bankers and citizens of Seattle, inviting this association to hold its next annual convention in our State.

THE PRESIDENT: The Chair would ask the gentleman to hand in his invitation to the chairman of the executive council. Our time is too limited to have the invitations given in full now, but they will all receive due attention from the executive council.

JAMES J. WILSON, of San Francisco: Mr. President, I know the time is very limited, as you are all anxious to get away on the excursion which the bankers of this city have provided, and I will not take the time to make the speech that I had prepared for this occasion, but will ask leave to have it printed in your proceedings, and I will only say that I present to you, sir, herewith this invitation from the bankers of San Francisco.

Mr. Wilson then handed to the President of the Association a solid gold plate 4 x 5 inches, upon which was engraved an invitation to hold the next convention of the American Bankers' Association in the City of San Francisco.

THE PRESIDENT: Mr. Wilson, on behalf of the association, I thank you for this magnificent invitation, and I can assure you, sir, that after this especially San Francisco has a hold on our affections, and your invitation,

like that from the State of Washington, will be referred to the Executive Council.

I might add that invitations have been received from Seattle, Savannah, New York and Houston. All these invitations will be referred to the executive council.

P. C. KAUFFMAN, of Tacoma: Mr. President, I desire to offer the following resolutions:

Resolved, That the thanks of this convention be, and they are hereby, tendered to the bankers of New Orleans, to the citizens of New Orleans, and to all others who have aided in entertaining the members of this association in their visit to the Crescent City, for the hospitable and charming manner in which they have been received; also

Resolved, That the thanks of the convention be, and they are hereby, tendered to the press of New Orleans for their splendid reports of the meetings of this association, and to all others who have in any way lent their assistance in making this, the twenty-eighth annual meeting of the American Bankers' Association, the pronounced success that it is.

The resolutions were seconded and unanimously adopted.

THE SECRETARY: I desire to read the following telegram from the Governor of this State, addressed to the President of the Association:

The state of my health prevents my attending your convention in person. I should be pleased to have you express my regrets to your body. You will have opportunities to enjoy our splendid climate, to learn of its healthfulness, and something of our resources. I trust your visit here may prove both pleasant and profitable. (Signed) W. W. HEARD, Governor.

The following telegram, dated to-day, has been received from Mr. Shaw, Secretary of the Treasury:

Please convey my greetings and best wishes to your association, and my regret at not being able to be present at your convention. I certainly hope that what statesmanship failed to accomplish may be consummated through commerce, and that portion of our common country most favored by nature may become at last an equal sharer in the nation's prosperity.

(Signed) L. M. SHAW.

THE PRESIDENT: We will now have the report of the committee on nominations.

[A complete list of the officers of the association will be found at the end of this report.]

THE PRESIDENT: Mr. Hardy, it becomes my pleasant duty to now introduce you to the members of the American Bankers' Association as their president-elect. Members of the association, I present to you President Hardy.

PRESIDENT HARDY: I attended my first convention of this association at Baltimore in 1894. Since then we have met at Atlanta, St. Louis, Detroit, Denver, Cleveland, Richmond, Milwaukee, and now at New Orleans, gathering, I think, in each convention, new friends, new members, and a wider sphere of influence for our association. During that time I have had the honor of serving twice on the executive council—last year as your vice-president, and this year you have bestowed upon me the highest honor in the association, for which I thank you from the bottom of my heart.

There was a time in this association when, in its conservatism, as I remember, that it even hesitated about openly declaring for the gold standard, and we have even hesitated to discuss among ourselves for a time the vital question which is now interesting bankers—that of the currency. But

whatever difference of opinion may exist amongst us on this subject, there is not a gentleman facing me who will not admit that out of this discussion his ideas have crystallized, and that he is in a better frame of mind to-day to vote upon this question, and I think we must all agree that our minds have crystallized on these two points: First, the abolition of our sub-Treasury system; second, the creation of an emergency circulation which will liquidate any surplus inflation that may exist at the present time.

There is one matter which has come before this convention to which I want particularly to call your attention, and that is the matter of the fidelity bonding business, on which your committee has been so strenuously at work. I recommend every one of you to read their report, which was presented to the convention yesterday, and I ask you to give your attention carefully to the further literature that will be sent out by that committee.

And now, members of the association, I will say not good-bye, but *au revoir*, until we meet somewhere—on the Pacific Coast, very likely—next year.

Ex-President Herrick: Just one word before I hand the gavel to my successor, and it is with reference to the past twenty-eight years' history of this association. It has seemed to me that one of the largest assets that this association has is that the sentiment throughout the country is reflected now on great financial questions from this association. We were asked yesterday by Congressman Fowler to lay aside our selfish interests for a moment and to consider these questions. I want to say that this association was founded upon the idea of subordinating our selfish interests, and we have sought to take the position merely of private citizens seeking the public good.

Gentlemen, I thank you most sincerely for your kindness to me in the past year, and I commend to your good offices the president-elect, to whom I now take great pleasure in handing this gavel.

George H. Russel, of Detroit, Mich.: Gentlemen of the Association.—I beg your indulgence for one moment while I address Mr. Herrick, our ex-President, personally.

(At this point Mr. Russel uncovered and displayed a gorgeous silver punch-bowl.)

I am sure Mr. Herrick was conscious this was coming, and—I don't want to give him away—but I think he consented to the appropriation of the funds that paid for it. However, I am most happy in being made the medium of presenting this testimonial from the members of this association to our dear friend, Myron T. Herrick, upon his retirement from the office of president of this association.

With it we express our thanks for his excellent administration; the affairs of the office were never administered better. With it we express our appreciation of and regard for Mr. Herrick personally, and with this testimonial we tender to him our best wishes for the future. If the testimonial of our golden thoughts were put in precious metal it would seriously affect our standing; but as it is we simply put it in substantial form; and with it go our pleasant memories, our happy thoughts, our kindest regards, and our best wishes.

Mr. Herrick, this bowl may look empty, but it is not. Fill it with the juice of California and the fluid of Kentucky, and I can assure you the more you drink from it the more you will appreciate that it is indeed full.

Col. Herrick: I am afraid that if I were to follow Mr. Russel's advice literally this bowl would not be the only article that was full. I thank the

members of the association from the bottom of my heart for this token of their respect and esteem. I shall always treasure it most highly, and when I look into it I shall see simply a reflection of your friendly faces which have looked up to me for the past three days as I have presided over the deliberations of this convention. Again, I thank you one and all.

PRESIDENT HARDY: Gentlemen, I believe there is no further business to Mr. Bigelow, the vice-president-elect.

VICE-PRESIDENT BIGELOW: I am deeply sensible of the honor you have conferred upon me; and now, as I pass into the quietude of the office of the vice-presidency, I feel that I shall enjoy comparative ease for the coming year.

PRESIDENT HARDY: Gentlemen, I believe there is no further business to be brought before the convention, and I therefore declare the twenty-eighth annual meeting of the association adjourned without date.

OFFICERS OF THE ASSOCIATION.

PRESIDENT.

CALDWELL HARDY, President Norfolk National Bank, Norfolk, Va.

FIRST VICE-PRESIDENT.

FRANK G. BIGELOW, President First National Bank, Milwaukee.

TREASURER.

GEORGE F. ORDE, Cashier Northern Trust Company Bank, Chicago.

EXECUTIVE COUNCIL.

*MEMBERS EX-OFFICO.

CALDWELL HARDY, President Norfolk National Bank, Norfolk, Va.

FRANK G. BIGELOW, President First National Bank, Milwaukee, Wis.

MEMBERS FOR ONE YEAR.

WM. M. HILL, Cashier State Bank of Virginia, Richmond, Va.

JAMES H. WILLOCK, President Second National Bank, Pittsburg, Pa.

W. L. MOYER, President National Shoe and Leather Bank, New York.

S. A. MORRISON, Assistant Cashier Fletcher National Bank, Indianapolis, Ind.

KENNETH CLARK, President Merchants' National Bank, St. Paul, Minn.

†GEO. W. BOLTON, President Rapides Bank, Alexandria, La.

†J. P. HUSTON, Cashier Wood & Huston Bank, Marshall, Mo.

†F. W. HAYES, former President Preston National Bank, Detroit, Mich.

†E. L. MEYER, President First National Bank, Hutchinson, Kans.

†JOHN T. DISMUKES, President First National Bank, St. Augustine, Fla.

MEMBERS FOR TWO YEARS.

WM. G. MATHER, President American Trust Co., Cleveland Ohio.

E. F. SWINNEY, President First National Bank, Kansas City, Mo.

F. H. FRIES, President Wachovia Loan and Trust Co., Winston, N. C.

P. C. KAUFFMAN, Cashier Fidelity Trust Co., Tacoma, Wash.

JAMES M. DONALD, Vice-President Hanover National Bank, New York.

†JOHN L. HAMILTON, JR., Cashier Hamilton & Cunningham, Hoopeston, Ill.

†J. J. SULLIVAN, President Central National Bank, Cleveland, Ohio.

†RALPH VAN VECHTEN, Cashier Cedar Rapids National Bank, Cedar Rapids, Iowa.

†J. R. MCALLISTER, Cashier Franklin National Bank, Philadelphia, Pa.

†JOS. G. BROWN, President Citizens' National Bank, Raleigh, N. C.

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* The recent convention at New Orleans amended the constitution by providing that in addition to the president and vice-president, the ex-presidents should also be ex-officio members of the executive council. The ex-presidents now living are: Lyman J. Gage, Logan C. Murray, Chas. Parsons, Morton McMichael, R. M. Nelson, M. M. White, Jno. J. P. Odell, Robert J. Lowry, Joseph C. Hendrix, Geo. H. Russel, Walker Hill, Alvah Trowbridge and Myron T. Herrick.

† Nominated by their respective State bankers' associations.

MEMBERS FOR THREE YEARS.

JOHN S. WILLIAMS, President Richmond Trust and Safe Deposit Co., Richmond, Va.
W. T. FENTON, Vice-President National Bank of the Republic, Chicago, Ill.
D. SLOANE, President Lonaconing Savings Bank, Lonaconing, Md.
ARTHUR REYNOLDS, President Des Moines National Bank, Des Moines, Ia.
JAMES T. HAYDEN, President Whitney National Bank, New Orleans, La.
*A. H. WIGGIN, Vice-President National Park Bank, New York.
*CHARLES L. FARRELL, Assistant Cashier Capital National Bank, Indianapolis, Ind.
*A. V. LANE, Cashier National Exchange Bank, Dallas, Tex.
*LUTHER DRAKE, Cashier Merchants' National Bank, Omaha, Neb.
*A. A. CRANE, Cashier National Bank of Commerce, Minneapolis, Minn.

* Nominated by their respective State bankers' associations.

Office of the Association, 20 Broad Street, New York, N. Y.
JAMES R. BRANCH, *Secretary.* WM. GORDON FITZWILSON, *Assistant Secretary.*

VICE-PRESIDENTS (BY STATES).

ALABAMA..........Louis B. Farley, Vice-Pres. and Cas. Farley National Bank, Montgomery.
ALASKA...... ......J. G. Heid, Vice-President First National Bank, Juneau.
ARIZONA............Frank C. Murphy, President Prescott National Bank, Prescott.
ARKANSAS..........W. Y. Foster, Vice-President Bank of Hope, Hope.
CALIFORNIA........J. M. Elliott, President First National Bank, Los Angeles.
COLORADO..........J. C. Mitchell, Cashier Denver National Bank, Denver.
CONNECTICUT.......Frank D. Hallett, Cashier First National Bank, Winsted.
DELAWARE ....R. H. Williams, President First National Bank, Milford.
DIST. COLUMBIA....John J. Edson, President Washington Loan and Trust Co., Washington.
FLORIDA............B. H. Barnett, Vice-Pres. National Bank of Jacksonville, Jacksonville.
GEORGIA............James T. Anderson, Cashier Marietta Trust and Banking Co., Marietta.
HAWAII.............C. Brown, President First National Bank, Honolulu.
IDAHO...............C. W. Moore, President First National Bank of Idaho, Boise.
ILLINOIS............Andrew Russel, Dunlap, Russel & Co., Jacksonville.
INDIANA............John W. Perrin, President American National Bank, Indianapolis.
INDIAN TER........E. D. Nims, President First National Bank, Roff.
IOWA................T. J. Fletcher, Cashier First National Bank, Marshalltown.
KANSAS.............Scott Hopkins, President First National Bank, Horton.
KENTUCKY..........Oscar Fenley, President National Bank of Kentucky, Louisville.
LOUISIANA ....J. W. Castles, President Hibernia Bank and Trust Co., New Orleans.
MAINE ....James E. Wengren, Cashier First National Bank, Portland.
MARYLAND ....William Ingle, Cashier Merchants' National Bank, Baltimore.
MASSACHUSETTS....E. A. Presbrey, Vice-President National Bank of Redemption, Boston.
MICHIGAN ....Lucius B. Lilley, President Lilley State Bank, Tecumseh.
MINNESOTA.........George Pease, Cashier Citizens' National Bank, Faribault.
MISSISSIPPI.........J. J. White, President McComb City Bank, McComb City.
MISSOURI ....Graham G. Lacey, Vice-President Tootle-Lemon National Bank, St. Joseph.
MONTANA ....George L. Ramsey, Cashier Union Bank and Trust Company, Helena.
NEBRASKA..........Charles F. McGrew, Vice-President Omaha National Bank, Omaha.
NEVADA ....G. W. Mapes, President Washoe County Bank, Reno.
NEW HAMPSHIRE...William F. Thayer, President First National Bank, Concord.
NEW JERSEY........William K. Hurff, Treasurer Security Trust Company, Camden.
NEW MEXICO.......J. W. Carter, Cashier Silver City National Bank, Silver City.
NEW YORK..........Charles H. Stout, Vice-President First National Bank, New York.
NORTH CAROLINA..W. E. Borden, Cashier Bank of Wayne, Goldsboro.
NORTH DAKOTA....R. S. Lewis, Vice-President Red River Valley National Bank, Fargo.
OHIO.................A. S. Frazer, Cashier Xenia National Bank, Xenia.
OKLAHOMA.........S. W. Kieser, President Stillwater National Bank, Stillwater.
OREGON .. ..Benjamin I. Cohen, President Portland Trust Co. of Oregon, Portland.
PENNSYLVANIA.....C. M. W. Keck, Cashier Allentown National Bank, Allentown.
RHODE ISLAND.....Amos G. Nichols, President First National Bank of Hopkinton, Hope Valley.
SOUTH CAROLINA..W. A. Law, President Central National Bank, Spartanburg.
SOUTH DAKOTA.....Harry R. Dennis, President Sioux City Savings Bank, Sioux Falls.

TENNESSEE.........W. A. Sadd, Secretary Chattanooga Savings Bank, Chattanooga.
TEXAS...............M. B. Loyd, President First National Bank, Fort Worth.
UTAH................L. S. Hills, President Deseret National Bank, Salt Lake.
VERMONT...........R. C. Abell, President First National Bank, Fair Haven.
VIRGINIA..... ....John D. Horseley, President First National Bank, Lynchburg.
WASHINGTON.......James D. Hoge, Jr., President First National Bank, Seattle.
WEST VIRGINIA....John Q. Dickenson, President Kanawaha Valley Bank, Charleston.
WISCONSIN.........H. D. Smith, President First National Bank, Appleton.
WYOMING...........T. A. Cosgriff, President First National Bank, Rawlins.

TRUST COMPANY SECTION.

The sixth annual meeting of the Trust Company Section was held, in connection with the meeting of the American Bankers' Association, at New Orleans, La., on Tuesday, November 11, 1902.

John Skelton Williams, President of the Richmond Trust and Safe Deposit Company, of Richmond, Va., presided, as chairman of the section.

The full proceedings, in detail, follow:

THE CHAIRMAN: Gentlemen, I call the sixth annual meeting of the Trust Company Section to order. Our proceedings will be opened with a prayer by the Rev. Mr. Alexander.

We will now listen to an address of welcome by Mr. Ingwersen.

ADDRESS OF WELCOME BY J. H. INGWERSEN, VICE-PRESIDENT INTERSTATE TRUST AND BANKING CO., NEW ORLEANS.

It gives me great pleasure to extend to you, gentlemen, the representatives of the trust companies of the United States, the cordial welcome of the people of this city and State. It may be a matter of interest to those coming from other States to learn that here in Louisiana our laws descend from the Roman Civil Law, instead of from the Common Law of England, which is the foundation of the law of all the other States of the Union. The civil law is now established, with modifications, in France, Italy, Spain, Germany, Russia, and the State of Louisiana.

From the earliest time the trust estates of the common law, almost without exception, have been prohibited in Louisiana. Our code excepts from this prohibition the disposition by which the testator names another to take, when the legatee first named does not take. There is also the permitted disposition by which the testator may give the use and income of property to one for life, and the title to another, and in 1882 our Legislature modified the stringency of the prohibition against trusts by permitting donations to trustees for educational, charitable or literary purposes. With these exceptions testamentary dispositions of property in trust are forbidden by the laws of Louisiana.

Our courts say it is against public policy to permit property to be bequeathed in trust, thus putting it out of commerce. That the creation of the common law trust estates tends to accumulate property in the hands of those whom a caprice of the testator induces him to favor, and supersedes the laws of inheritance established by public policy for all men.

It will at once be seen that this prohibition against trust estates very materially modifies the scope of the trust company work in Louisiana, but notwithstanding this limitation three trust companies, with aggregate capital and surplus of over five million dollars, were recently organized, and are now in successful operation. In addition thereto, several of the Savings banks of the city qualified under the law, so that now New Orleans is as well equipped for the handling of business generally entrusted to a trust company as any city of equal size in this country. In fact, the City of New Orleans now has the two largest banks and trust companies in the South. It is, therefore, quite appropriate that your section of the American Bankers' Association should meet in our city this particular year.

Our people are, in a sense, unfamiliar with corporate trustees, but the various

companies engaged in that business are using their best efforts to demonstrate the advantages resulting from the appointment of a well conducted trust company in a fiduciary capacity.

In behalf of the trust companies of this city I extend to you an especial welcome to our city. We are glad to have you with us, not only because it is a pleasure for us to entertain you, but for the additional reason that we hope to learn something from you that may aid us in so shaping the policies of the institutions we represent as to add new lustre to the good reputation enjoyed by the trust companies of the United States. We extend to you the freedom of our city. Her hospitality is at your disposal. You will find here a class of people warm-hearted, progressive and broad-minded, ever ready to extend the right hand of fellowship to the stranger within her gates. The South is on the eve of a great industrial development and New Orleans, her metropolis, and financial and business centre, is fully alive to her opportunities. New enterprises are knocking at her doors and meet with a substantial recognition, manufacturing establishments being exempt from taxation until the year 1910.

The building of a canal, either at Panama or Nicaragua, is practically assured, and is bound to be of inestimable value to the commercial interests of New Orleans. With a canal connecting the Atlantic and Pacific, the mighty Mississippi affording water communication with the great agricultural and manufacturing States of the middle West, the finest harbor for seagoing vessels on the face of the globe, a network of railroads connecting us with all sections of the Union, a perfect climate, permitting of work in and out of doors twelve months of the year, a sewage system rapidly approaching completion, that will be the equal of any in the world, a wide-awake, progressive and thoroughly American, though cosmopolitan population, are we not justified in the firm belief that within a very few years we will have here one of the greatest cities in the greatest Republic the world has ever seen?

In conclusion, permit me to assure you that our welcome is sincere, that this quaint old city is yours for the time being, and that you are free to appropriate to your own use anything you may see lying around loose. All that we ask in return is that you leave our delightful climate, the perfect blue of our skies, and the open-handed hospitality of our people.

ANNUAL ADDRESS OF THE CHAIRMAN, BY JOHN SKELTON WILLIAMS.

We feel honored, sir, by such a welcome, so gracefully expressed in behalf of the community with a history of nearly two centuries of civilization, growth and achievement. No city in the country has known more vicissitudes and changes than yours; none has figured more grandly in our political, our martial and our commercial annals. You represent here, as perhaps nowhere else on earth, the old times and the new impulses and purposes.

Born French, New Orleans has grown to majesty and power—English and American assimilating and governed by the best qualities and characteristics of two great races. Your story is vivid, crowded with incidents and pictures; with tragedy and comedy, with heroism and patriotism, through all of which runs the record of steady, ceaseless, untiring commercial advancement.

You have fought and overcome foes, such as few communities have had to contend against. Your city is identified with battles among men which have made it known the world over; and with battles with the forces of nature, the winning of which has won for you prosperity.

The American people have twice humbled and overthrown the power, mightiest of all the world, except our own, and in the world's history Yorktown and New Orleans live together as marking the culmination of two vast victories, the ends of two great wars.

Near the field where the American riflemen beat back Packenham, American enterprise and skill and industry have conquered the Mississippi, mightiest of all waters, and made it a faithful and useful servant, instead of a destroying force. That huge flood has been governed and guided and subjected to the will of man. You have met and faced and overcome the more insidious pestilence and emancipated yourself from the ravages which used to fill your streets with mourning and bring silence and desolation to your marts. You have met the changing conditions and adapted yourselves to them; and never in all your history have you been confronted with an emergency too complex or too terrifying for your energy and strength and courage to deal with.

Your city has been the territory, and her people the citizens, of three nations. She has known enormous expansion; from the hamlet clinging precariously along

the curved river bank, to the boom time when she was the centre of the whole Southwest, and the wealth of all the great Mississippi Valley floated down to her on the broad river—the days of song and story and legend, when rivermen and planters and a motley collection of men of all climes and nations jostled each other on the banquettes, the days when the old city felt young because of the new vigor and growth that had come to her, and was the home of wild gaiety and beauty and brilliancy; of energy and reckless courage, and abounding wealth; the virility and dash of a frontier town, beautified and governed by civilization, too old and firmly established to allow its dignity to be shaken or its high standards impaired by any rush of strange citizenship or new things.

When prosperity was suddenly halted, when you were a besieged city with your best and bravest left stark and bloody on Virginia battlefields and your fairest and dearest went mourning about your grass-grown and silent streets, your people met the situation with unconquered spirit. So they continued to do when the humiliation of conquest came upon them and through the bitter later days of reconstruction, when, at the cost of their own blood and lives and with their own strong hands, they asserted their right to conduct their own affairs and to govern their own State and city in their own interests.

After all this how stands the record? You are a commercial city, and your commerce is your glory and the figures give the best testimony of your strength and courage and ability to deal with difficulties and to overcome obstacles. You need no better evidence of what you are, what you have done, than the story told in the official records.

The Government reports show that the last fifteen years have seen the foreign commerce of this city practically double itself, both as to exports and imports, and it is indicative of the wonderful growth of this section that in the value of exports New Orleans stands next to New York, and ahead of Philadelphia, Baltimore, Boston and San Francisco.

In the matter of a favorable trade balance, that is to say, excess of exports over imports, New Orleans outranks every other port in the United States, including New York, and it is an interesting fact to note that the exports from New Orleans for the past year exceeded in value the total exports of all the ports of the great Empire of China, with her four hundred million people for whose trade the nations of the world are now so eagerly scrambling.

Your steady growth as a manufacturing city has been remarkable. In art and letters you are conspicuous. Nearly one hundred flourishing schools and colleges provide for the intellectual development of your people, while nearly twice as many churches minister to their religious wants.

All of your institutions, whether of charity, of learning, of business, or of festivity, bespeak the wisdom, energy, excellence and grace of your manhood.

You have done much in the past and are destined to do more. I have the honor to represent here one of the means developed by modern necessities and devised by modern thought and experience which will aid your growth and enlarge your achievements—the trust company.

The very name trust has been made odious to the American people, yet it is the trust company that has made the impossible possible. It has gathered the capital of many investors, and with aggregated and concentrated power it has done what no individual enterprise or fortune could do. They have collected and held money in vast masses and made it effective for tremendous achievements.

The trust company as an institution has in a comparatively short period, from a small beginning, advanced swiftly, until it has become to-day the most powerful engine of modern finance.

RAPID GROWTH OF THE TRUST COMPANIES.

The total resources of trust companies in the United States in 1880 was stated at only $126,000,000. The reports of the Treasury Department at the present time show that the resources of the trust companies of the United States have now reached the enormous sum of two billion dollars, which is more than the entire stock of money, including gold and silver and paper money, of the great German Empire and the Empire of Russia combined.

From 1880 to 1902, the capital stock of these trust companies, according to the records of the Comptroller of the Currency, has grown from $18,000,000 to $180,000,000, whilst their surplus of $6,000,000 in 1880 has increased twenty-five fold, to $150,000,000 in 1902.

The records also show that the number of trust companies has increased from

thirty in 1880 to more than four hundred to-day. There are more than 4,500 National banks now in operation in the United States. The individual deposits of these banks in 1902 were 3,098 million dollars; the individual deposits of trust companies at the same time were 1,525 million dollars; one-half as great as the deposits of National banks, notwithstanding the fact that there are ten times as many National banks as there are trust companies. The average individual deposits of National banks was $720,000; the average amount of individual deposits of trust companies was $3,650,000, or five times as great as the average deposits of National banks.

The individual deposits of our trust companies to-day are seventeen times as great as they were in 1880, and it is interesting to note that the increase in the capital stock and the increase in the surplus from 1895 to 1902 amounts to more than the entire capital stock and surplus of all trust companies in the United States as late as 1890; whilst the increase in individual deposits in the past seven years of one thousand million dollars is just three times as much as their total individual deposits amounted to in 1890.

In the year 1880 the individual deposits of National banks, State banks and trust companies aggregated 1,183 million dollars, of which seventy-four per cent. were held by National banks, eighteen per cent. by State banks and eight per cent. by trust companies. In the year 1902 the individual deposits of these three classes of banking institutions had grown to 6,322 million dollars; the proportion held by National banks had declined from seventy-four per cent. to forty-nine per cent.; the proportion held by State banks had increased from eighteen per cent. to twenty-six per cent., whilst the proportion held by trust companies had increased from only eight per cent. in 1880 to more than twenty-four per cent. of the total in 1902. In other words, while the records show that the individual deposits of trust companies have increased 1,600 per cent. since 1880, the increase in individual deposits of the National banks has been only 271 per cent., and the increase in individual deposits of State banks 713 per cent.

It is a gratification to the Trust Company Section to know that nearly all of the trust companies of the United States are now enrolled as members of the American Bankers' Association. Your members are scattered through forty-three States and Territories, and we also have one valued member in the Sandwich Islands.

There was a net gain during the year of eighty-five new members, and as there are now but few trust companies not members of the association, our increase in numbers in the future will come principally from new trust companies yet to be formed.

The trust company in this country is now attracting to its service men of the most distinguished attainments, leaders in thought and action, recognized captains of industry. Presiding officers of trust companies in New York City at the present time include one former Vice-President of the United States, and two former Secretaries of the Treasury.

CORPORATIONS MUST BE SUBJECT TO PROPER CONTROL.

I recognize, as every thinking man must, that there is a limit beyond which the combination of capital should not go—a point at which the power of concentrated capital should be halted. To the accomplishment of wise and proper economies, to the development of efficiency in service, and the promotion of the public convenience and comfort, combinations and aggregations of capital are right, and should be encouraged. When they bend their energies to the stifling of competition and undertake to become monopolies, they should be met and checked and must be, if our institutions are to be maintained and we are to remain a free people.

As one identified with trust companies and banking interests and with railroad interests, and as chairman of the Trust Company Section of the American Bankers' Association, I say to you that the power of money ought to be restrained and the power of corporations properly controlled. I believe that the common sense of the American people can be relied on to discern the danger point and so draw the line there and announce the edict, "So far shalt thou come and no further, and here shall thy proud waves be stayed."

We are interested alike as taxpayers, as citizens, as workers. Those of us who undertake to despoil our fellows to-day may ourselves be the subjects of injustice and the helpless victims of some new and mighty combination to-morrow. At this moment it is charged that the commerce and prosperity of the entire South are threatened with the blight and the oppression of vast railway associations,

which are attempting the placing of the control of the entire system of railway transportation in the keeping of one man or set of men and at the mercy of one interest, which may be guided by this impulse or that which may demand that our business shall be developed or depressed. While it is pleasant to feel that there are still lines of transportation beyond the reach of any monopoly, yet it is well for us to know that even this vast power can be dealt with; and the people may be trusted to deal with it. As you here and your neighbors above, made levees and limits for the mighty Mississippi and directed it into usefulness and restrained its ravages, so this power of capital can be checked and governed and guided by the strength of the people. Monopoly, oppressive or threatening to be so, invites its own overthrow. No man, no trust, no accumulation of capital or combination of interests, however stupendous, can stand against the wrath or justly grounded suspicion of the American people, or against the organized resentment or resistance of any State of this great Union.

The business of the corporation, or the trust company, of the bank, of every combination of capital and brains and enterprise, is to give the public good value for fair returns. The moment any of us go beyond that and attempt to extort from the public unjust tribute or extravagant dividends or profit on unfairly inflated issues of securities or to exercise unjust discrimination, we cease to become business men and become highwaymen, in fact, if not in law. When we cease to become the servants and partners and associates of the people, from whom we draw our living in return for our investments of money and expenditure of thought and energy and undertake to be the masters of the people and despots, demanding blackmail from them, we forfeit our claims to respect and sympathy and invite vengeance. We incite ignorance to seek redress by violence and intellect to devise methods for our destruction.

It is our duty to recognize our responsibilities and obligations to the great public on which all of us depend for our living, to respect its rights, to offer it always fair value for what it pays us, to encourage and accept honest competition as the best stimulant of our strength and offering the most accurate measure of our manhood.

Your trust companies here have enabled you to do things you could not have done without them. As your people, all through your long history as a community, have proved their ability to deal with every emergency of war and every problem of peace, they can be relied on in common with their fellow citizens of the United States to deal with the aggressions of accumulated capital at the proper time, and in the proper and conservative way. I mean by "conservative," preserving and maintaining, and destroying no rights and no value.

Again I thank you in behalf of all the members of this association for the welcome which I know comes from hospitable hearts and expresses the feeling of a generous people of a well-established and tried city.

I am glad to have had the opportunity to say here what I know is in the minds of my colleagues and associates.

The real business men and buildiers of the country—those who represent actual values and substantial investments and real money, want to be creators and not despots; helpers and associates, and not tyrants or plunderers; legitimate competitors for business, and not monopolists or masters.

Chairman Breckinridge Jones, of St. Louis, read the report of the executive committee, as follows:

REPORT OF THE EXECUTIVE COMMITTEE.

As the chairman of your executive committee, I am pleased to meet so many representatives of our trust companies at this, our sixth annual meeting as a section of the American Bankers' Association. The growth of the section for the year has been very satisfactory, as you will see from the figures given in the secretary's report. We now have 422 members, showing an increase of about twenty-five per cent. in the past year. You will also observe, from the secretary's report, that the expenses of the section are running well within the appropriations made by the parent association. There has been a good demand for the printed trust company forms, which are of recognized value not only to junior institutions, but also to the older and well established companies.

It is gratifying to your officers to note that the section is filling the want in the trust company field for which it was designed. The benefits derived from meeting together in general convention and getting better acquainted with one another

are manifold. It gives us an opportunity to discuss the practical workings of trust companies and to lay plans for the greater development of our institutions.

TRUST COMPANIES NOT ANTAGONISTIC TO BANKS.

In this connection the value of trust companies and their methods of business as co-ordinate branches of finance with the banks was illustrated somewhat in the recent money stringency. During the past few years there has been a great multiplication of securities of every kind, and the dealing in these by the public has led to a vast increase in the collateral loans of the various institutions and also in the deposits of these institutions, and as the banks are required, either by law or the nature of their business, to keep a reserve of about fifteen per cent. in the country and twenty-five per cent. in the cities, this increase in deposits has tied up a very large amount of money.

In the five years from October 6, 1896, to September 30, 1901, the deposits of National banks increased from 1,798 millions to 3,661 millions, and in the same five years the reserve against these deposits increased from 543 millions to 1,012 millions, and of these reserves the lawful money held increased from 343 millions to 539 millions, or practically 200 millions of dollars! It is believed that the net deposits of National banks now amount to approximately 4,000 millions, and the twenty-seven per cent. reserve held would amount to 1,080 millions, and that the actual money reserve is about 575 millions. It is true that there has been an increase in the amount of money in circulation of four or five dollars per capita in the United States, yet this increase in the circulating medium has not been sufficient to meet the increased reserves required by the banks on account of the increased deposits. These reserves became so large that when there was a demand for actual money to move the enormous crops of this year there was a pronounced stringency. It can be readily seen that if the trust companies, with their very large deposits, were also carrying in their own vaults a reserve of cash similar to that carried by the banks, the stringency would have been so keen as to have probably produced a panic. It is well that this matter should be kept in mind when efforts are made by the various State Legislatures to enact statutes requiring trust companies to keep any definite reserve in their own vaults.

Your executive committee has endeavored to faithfully discharge the duties imposed upon it, and the meetings held during the year have been well attended. We have concerned ourselves in discussing your programme and designing plans for the growth of the section, not only in numbers, but in practical benefit to the members. Your officers have faithfully and conscientiously performed their respective duties.

Details of the progress of the section during the year, numerically and financially, will be shown by the reports of its officers, and, therefore, I will not take up your time by going into these matters. BRECKINRIDGE JONES.
Chairman, Executive Committee.

THE CHAIRMAN: The next business is the report of the secretary.

SECRETARY'S ANNUAL REPORT.

New York, November 1, 1902.

September 1, 1901—		
Balance		$3,859.64
Received from sale of books of trust company forms		1,811.80
		$4,671.44
Expenses, meeting of the executive committee, New York	$237.00	
Trust company forms	140.00	
Buttons for New Orleans convention	40.00	
Honorarium to secretary	1,200.00	
Salary, secretary	200.00	
Other disbursements	89.45	
		1,906.45
Balance		$2,764.99

September 1, 1901, there were 339 members in the Trust Company Section. Twelve of these have withdrawn since that date, but as ninety-five have been added to our rolls, the net gain is eighty-three, making a total membership of 422, an increase of twenty-five per cent. Respectfully submitted,

JAS. R. BRANCH, Secretary.

THE CHAIRMAN: The next business on the programme will be an address by Mr. Clark Williams, of New York City, entitled, "More Adequate Protection of Municipal Bonds Through the Certification of Trust Companies."

THE MORE ADEQUATE PROTECTION OF MUNICIPAL BONDS THROUGH CERTIFICATION BY TRUST COMPANIES.—ADDRESS OF CLARK WILLIAMS, OF THE UNITED STATES MORTGAGE AND TRUST COMPANY, NEW YORK.

The term "municipal bond" has come into general use as indicating the evidence of public obligation other than that of the Federal Government. In this class of securities are included not only the issues of municipalities, but of counties, school districts, and even States, and it is my purpose to consider them in my treatment of the subject of this paper from this wider view-point. The best authorities give the outstanding indebtedness of this character in the United States, after deducting sinking fund accumulations, at approximately $2,000,000,000. This amount exceeds the national debt by more than $1,000,000,000. During the past five years, the average issue of these public obligations has been over $120,000,000. From these figures can be seen the enormous investment in municipal bonds.

The high public credit in this country has established for these bonds an exceedingly low interest rate, and the laws in all the States have discriminated in their favor as a proper investment for Savings banks and trust funds. The recent action of the Secretary of the Treasury in accepting municipal bonds as a basis for the issue of currency by National banks * is striking evidence of their conservative and stable qualities as investments. One would suppose that the issue of securities of this high character, providing to so large an extent investments for the trust funds of the country, would be surrounded by every safeguard for the protection of the issuing community, and the security of the inventor. Is this the case?

METHODS OF ISSUING MUNICIPAL BONDS.

Public officials are usually unfamiliar with the methods well established in the issue of other securities and often are even without experience in the issue of municipal bonds because of the frequent change in office tenure, yet this county supervisor or that city clerk must superintend according to his own uncertain methods, or under the direction of the purchaser, the preparation and negotiation of these bonds, which find their way into the vaults of Savings banks. The investor receives securities which are printed or cheaply lithographed on blanks, obtainable from any stationer or printer. If their preparation is so elaborate as to require the use of plates, after they have served their purpose, these are considered of small value, are carelessly held by the printer, and are apt to fall into improper hands. The result has been that in no class of security have errors in issue been so common, or duplication and fraud been so widely carried on, as in municipal bonds. Besides the abundant opportunity for error in the preparation and execution of bonds, the prevailing method, or lack of method of issue, is almost an invitation to the unscrupulous to duplicate parts of or entire issues. The conditions surrounding the issue of municipal bonds, as I have stated them, may seem to some to involve no unusual danger, and I regret that I am unable, in this short time, to more clearly prove my case by reference to many over-issues, through carelessness or fraud, that have come to my notice. I may mention a few, however, of special interest.

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*Strictly speaking, this is not what the Secretary did. He permitted banks having United States bonds on deposit to secure Government deposits to withdraw these bonds and substitute certain municipal bonds for them, the United States bonds released to be used as a basis for issuing additional circulation. The law does not permit the use of other than Government bonds as security for circulation. But the operation mentioned made it possible to increase the bank note issue to the extent of the bonds substituted, and indirectly this increase was effected by the employment of municipal securities, which is doubtless the point to which Mr. Williams wished to call attention—Editor Bankers' Magazine.

BOND FORGERIES RECALLED.

Several years ago, one Quigley was considered to be a reputable bond dealer in New York City. The following item from the "Banker's Magazine," of February, 1895, explains itself:

"On January 19th, it was announced that the Mercantile National Bank, at 191 Broadway, had been swindled out of $144,000 by Edwin O. Quigley, a well-known bond broker of New York, of the firm of Quigley & Tuttle, of 6 Wall street. Quigley was arrested, confessed his guilt and was afterwards sentenced to fifteen and one-half years' imprisonment."

Mr. William P. St. John, President of the Mercantile National Bank, made the following statement in regard to Quigley's stealings: "Our total advances to Quigley were $144,000 on bonds of the par value of $160,000. Quigrey has kept an active account with us for some time. All these bonds we now believe to be forgeries. We discovered yesterday that one of these bonds was a forgery, and to-day Quigley admitted to us that all of them were fraudulent. The bonds comprised $57,000 City of Cleveland bonds; $68,000 bonds of the City of Springfield; $35,000 bonds of the City of Harrisburg, and $6,000 bonds of the City of Zanesville. The loss on our advances of $144,000 against these bonds will be reduced by some successful levies under attachments already laid in this city and elsewhere."

The discovery of fraud was made when the Mercantile National Bank presented a coupon for a $1,000 bond of the City of Cleveland, for payment at the American Exchange National Bank, which is the New York fiscal agent of Cleveland. The coupon clerk at the American Exchange Bank noticed that the coupon had a strange appearance, and he asked for time before paying it. The bank telegraphed to Cleveland and received answer that the coupon was forged.

Other banks out of New York are known to have been victims of Quigley's frauds, but it is not known how many bonds he forged. The Brooklyn "Eagle" subsequently reported: "It is known that F. R. Warley, of 180 Broadway, New York, who lithographed the bogus bonds for Quigley, printed in all $460,000 worth. The forger made a statement to the effect that Warley had no knowledge whatever that his transactions were anything but honest. The entire number of bonds printed by Mr. Warley for Quigley is as follows: Eighty bonds of the City of Harrisburg, Pa., $1,000 each; eighty-five bonds City of Cleveland, O., $1,000 each; seventy bonds City of Springfield, O., $1,000 each; 125 bonds City of Zanesville, $1,000 each; 100 bonds City of Davenport, Ia., $1,000 each. This made a total of $460,000 of bonds."

Quigley's method of operation was as follows: On the purchase of an issue of municipal bonds at public offering or private sale he would give his service in the preparation of the documents without cost to the municipality, arguing that his familiarity with the requirements of the investing public would save inconvenience and produce better results, an attractive proposition to most public officials.

A lithographer, acting innocently, or with only the size of his order in view, was then commissioned to produce two sets of bonds identical in all respects. One set would be properly executed by the officials and sold to the public; the other would be duly signed and sealed by Mr. Quigley, and deposited as collateral with the banks.

While Mr. Quigley was thus successfully doubling his capital in New York, Mr. Z. T. Lewis was industriously plying the same trade in Ohio, with the following results, as cited in the "Financial Records" of July 17, 1895:

"Much anxiety is felt concerning the affairs of Z. T. Lewis, missing broker of Dayton, O., who was recently awarded $300,000 McKeesport, Pa., bonds. Forged bonds have turned up to the amount of $56,000, and it is believed that the amount will reach over $100,000; $20,000 fraudulent bonds of Highland county; $25,000 Kenton City School, and $10,000 Tippecanoe City school bonds have come to light. The bank of which Mr. Lewis was President has also been closed."

Twenty years ago the State of Virginia ordered engraved a large issue of bonds, which, owing to a change of administration, the State officials refused to pay for, because of the indifference of the State officials. These blank bonds were sold by the express company to pay charges and were widely scattered. They have been turning up in small blocks ever since, variously signed, with and without seals.

Only recently the New York "Advertiser" reported that:

"Mr. Julius Schroeter, the Newark gas manufacturer, who was charged with obtaining $88,000 from the Importers' and Traders' National Bank, Seaboard National Bank, and Ladenburg, Thalmann & Company, on forged Virginia consols

of 1882, appeared for examination before Magistrate Crane in the Centre Street Police Court.

"The case has caused more or less comment among bankers, and it is said that it may form the subject of some action by the American Bankers' Association. It brings up anew the question of how banks could be best protected from fraud."

USE OF FRAUDULENT BONDS.

It was my duty, several years ago, to examine the loans of an institution carrying a large amount of municipal bonds as collateral. One-third of the securities were printed in the same colored ink on the same blanks. There was absolutely no evidence that these bonds were what they purported to be. None of the officers of this institution were familiar with the signature of the mayor of this town, or the county clerk of that county. The loans were practically secured only by the obligation of the borrower.

The extent to which this business of obtaining loans on forged municipal bonds is carried it is impossible to state, because so long as the borrower pays his interest promptly and takes up his loans at maturity, their fraudulent character remains undiscovered.

For banks loaning on such supposed securities to ascertain by investigation the genuineness of every block of bonds offered as collateral would entail an enormous amount of research, consuming frequently weeks of time and practically prohibiting loans on this class of collateral.

I have frequently requested samples of work from lithographers who have solicited our business to confirm my opinion of their average carelessness, and I have often been given bonds with coupons attached, bearing the lithographed facsimile signature, without the slightest attempt at cancellation.

In advocating the more adequate protection of municipal securities to a firm of Chicago bond dealers, some years ago, I took occasion to display a lithograph blank, bearing the likeness of a woman as one of the vignettes, stating that these blanks could be obtained by the carload from any stationer or lithographer. My listener looked at it in amazement, informing me that the portrait on this blank was the likeness of his wife, and expressed great surprise that the original plates, which had been prepared for his exclusive use, had found their way into the profane hands of New York lithographers.

LOSS OF CREDIT OF MUNICIPALITIES.

At times the loss of credit to municipalities as the result of irregularities or fraudulent issues of their securities has been serious, and a just prejudice exists in the minds of many an investor that militates against the broad market which these securities deserve. The danger to investors in municipals is only second to that of bankers loaning on the bonds. The principal and interest of such bonds are very frequently payable at the office of the dealer purchasing them, and he has only to furnish his customers fictitious bonds, payable at his office, and then to pay the coupons as they are presented, thus providing himself with a cheap working capital, which is capable of being indefinitely increased to the limit of the confidence of his clients.

The schemes for obtaining money by the means of the irregular issue or forgery of municipal bonds could, at the hands of a brainy scoundrel, be varied indefinitely. Nor is the unprincipled dealer the only danger to be provided against; municipal officials and their clerks are prone to commit errors as other human beings, and instances are not wanting where bonds prepared or executed in a manner not satisfactory to the purchasers have been laid aside, other bonds executed, and afterward the original bonds sold.

SAFEGUARD FOR BOND ISSUE.

Enough has been said to show the points of danger and the necessity for adequate remedy. This remedy must lie in a method of issue which will properly protect the interest of all concerned, and at the same time so serve their convenience as to render the plan attractive. As far as it is possible, such a plan must be an absolute protection to communities issuing the obligation against the payment of fraudulent bonds and coupons; to public officials who are responsible for the proper issue of these securities, and who may lack the requisite experience; to dealers who, under present conditions, are practically the guarantors of the bonds they sell—a needless and heavy responsibility; to bankers, offered a high class collateral for loans, but having no facilities for determining its genuineness

or legality; to investors willing to accept low rates of interest, if obtaining absolute security, and yet are not protected against entire loss through fraud.

Such a plan must begin with the very inception of the issue and end only with the delivery of the completed instruments to the proper city officials, or the purchaser, and every step between must be protected with effective safeguards under the supervision of a responsible corporation. The safeguards surrounding the issue of securities listed on the principal exchanges where duplication and over-issues are practically unknown at once suggest themselves. Their protection primarily lies in engraving by responsible bank-note companies from steel plates, together with the evidence of genuineness of a responsible trust company, whether it be in the signature under the trustee's certificate on bonds, or in the signature indicating the registration or the proper transfer of stock.

Municipal bonds should be carefully engraved by a responsible bank-note company producing the best workmanship and giving absolute security during the different stages of preparation, as well as exercising a careful guardianship over the engravings afterward to prevent either plates or impressions falling into improper hands. A certificate signed by a responsible trust company should appear on each bond, evidencing the genuineness of execution and as a guarantee against over-issue through carelessness or fraud.

SERVICES OF TRUST COMPANIES IN ASSURING SAFETY.

Because of the peculiar conditions under which municipal bonds are issued, the question of legality is of so great importance to the investor that such investigations should be made by counsel especially qualified by experience to pass upon the intricate questions involved in their validity of issue. A certificate of legality should appear on each bond or a reference to the fact that such legal examination has been made, and that the legal papers relating to the issue are filed with the trust company, which would be responsible for the genuineness of the certificate, in this way avoiding the constantly recurring expense and delay of examination of the legality of the security by counsel for each new purchaser. The trust company, however, certifiying the bond as to its genuineness should be particular to assume no responsibility as to its validity. A convenient place of registration should be provided in the chief financial centres of the country to save purchasers the inconvenience and expense of forwarding securities to the place of issue in order to obtain registration in their names. The payment of interest should be arranged for at the office of responsible and experienced trust companies at the financial centres, affording conveniences to investors and a safeguard against the acceptance of fraudulent coupons.

It has been abundantly proven by experience that municipal bonds advertised as being issued under the safeguards outlined are more acceptable to the investor and command a higher price at public sale.

The evidences of Federal obligations are surrounded with safeguards in issue analogous to those we have outlined. Corporations have long attained the same result in the issue of their securities through the instrumentality of the trust companies.

Municipal officials are beginning to realize the virtue of this protection in the issue of their bonds, and it may not be false prophecy to suggest that the time will come when the great industrial corporations of the country will look to the trust companies to perform their accredited function in the supervision of the issue of their temporary obligations, and their certification to the financial conditions under which their notes are issued.

THE CHAIRMAN: Next in order is an address by Mr. A. O. Kittredge, of New York City, entitled, "The Investigation and Audit of the Accounts of a Trust Company."

THE INVESTIGATION AND AUDIT OF TRUST COMPANIES.—BY A. O. KITTREDGE, C. P. A.

Modern conditions demand regular and systematic investigation and report or audit in all divisions of business. The trust company, which, in the short time that it has been before the public, has been exempt from various rules, should be no exception in this regard.

Trust companies and banks are in the same general class, and in a sense the same business rules would apply to the two. Banks are systematically examined

or audited under provisions of the law, and, while trust companies are occasionally examined by representatives of the banking departments of the different States under which they are organized, at the same time regular and complete audits are with them the exception rather than the rule.

Banks, upon the basis of natural selection and long experience, have reached a basis that might be described as uniformity in accounting. That is, the features of their accounting systems are so much alike that the examination of one bank is a fair preliminary study for the examination of various other banks. On the other hand, trust companies are yet so new that in various directions their account-keeping is crude. Their methods, if not experimental, are yet in a condition not thoroughly worked out or reduced to definite form.

If any excuse were necessary for obtruding upon the attention of this assembly at this time some remarks about the investigation and audit of trust companies, the same is contained in the preceding remarks.

In every modern business venture or organization for business purposes, a very considerable part of the undertaking rests upon the basis of credit and upon the intelligence or care with which its managers conduct the business. Accordingly, in the prospectus of various trust companies we find paraded at the head of the list from twenty to twenty-five men who are the directors or trustees of the organization and whose high standing in the community it is supposed gives credit to the company with which they are connected.

The public does not stop to think that at best a very small number of men stand for the actual transactions and policy of a company doing business. Such, however, is the case, and the trustees, high-minded men as they very generally are, require the services of an expert examiner from time to time in order that they may know that those put in immediate charge of the affairs of the company are not mismanaging their trust. On the other hand, the stockholders and the public at large have rights likewise in this regard.

COMPARISON OF THE FUNCTIONS OF BANKS AND TRUST COMPANIES.

A trust company may be described as a corporation authorized by law to undertake every kind of trustee work, and, in addition to it, to do a general banking and financial business. A trust company has a wider business scope than a bank. While it can furnish its customers with every facility which the bank can supply, it can render them a great many services which the safest and best equipped bank in the country cannot place at their disposal.

A bank cannot offer its customers the facilities which a trust company offers, because, from the special character of its business and its close relation with trade, it has always been hedged around by law with restrictions deemed necessary in case of purely commercial undertakings.

Trust companies exemplify enlarged banking powers adapted to the ever-growing requirements of modern business. They do not compete with nor usurp the places of banks, but in themselves use the banks, while with their transactions they go over and beyond anything for which banks were created.

The functions of a trust company are numerous and far-reaching, comprising various matters from the management of estates to ordinary trusteeships, and from a banking department on the one hand to an underwriting syndicate on the other. They include, in addition to ordinary banking, the following among others: Trustee under mortgages to secure bond issues; trustee for married women with respect to their separate property; guardian, receiver, or trustee of the estates of minors; executor or trustee under wills; committee of estates, of lunatics, idiots and persons of unsound mind; administrator, trustee, guardian, executor, receiver, and assignee of insolvent estates; manager of estates of every kind during the temporary or permanent absence of the owners, or for persons advanced in years, or for persons wishing to place the care and management of their property in the hands of a capable agent; collections of rents, interest, dividends, etc.; registrar and transfer agent of the capital stock and bonds of corporations; general agent for non-residents and invalids; general agent for foreign municipalities, corporations, etc., for the transaction of approved financial business; the general execution of legal trusts, and many others both general and special.

Trust companies exist under and by virtue of State laws. The laws in the several States do not agree and some of them are more favorable to trust companies than others. All of them demand reports from the trust companies annually and in some cases more frequently. In most of the States there is provision for occasional examination of trust companies by representatives of the State banking department.

The official bank examinations by National bank examiners throughout the country are frequently characterized as being insufficient and in many cases unsatisfactory. The pay allotted to bank examiners is notoriously small and the time in which the examination of the bank is ordinarily made is altogether too short. There is no basis of comparison between the examination of a bank as commonly conducted and that of a trust company as circumstances demand. There is an entirely different class of talent required in the examination of a trust company.

As with banks, so with trust companies. We find different organizations doing a different class of business, and yet the range of differences with banks is very much less than the range of differences with trust companies. We find one trust company specially organized to take care of the financial interests of a certain clique of wealthy men, or to look after the investments of a certain circle of men. We find alongside of it another trust company doing the same thing for another set of men. While in the one case, railroads and street car lines may be the principal features, in the other it is industrial operations, including perhaps real estate matters.

However we approach the subject, we find no two trust companies, speaking within limits, doing exactly the same kind of business. There is an individuality about each, and therefore we come back to the previous conclusion that the examination of a trust company must proceed upon original lines; that it cannot be based upon work done for other trust companies, or, rather, that it cannot be done after a general pattern supposed to fit other trust companies.

It would seem to be the opinion of some of those who are giving but brief consideration to the subject, that it is possible to devise a plan or scheme of trust company investigation and examination that should be at once very simple in its elements and at the same time very comprehensive in its results. I have been urged to present on this occasion a blank that might be used by examiners of trust companies. As already stated, a single blank is inadequate. It does not begin to reach the case, and if we are to take any individual trust company and in the light of complete knowledge of its affairs prepare a blank or set of blanks by which its periodical examination should be conducted, we would find that this blank or set of blanks would not apply to any one of the numerous trust companies working side by side with that to which the first set of blanks was devoted.

QUALIFICATIONS AND DUTIES OF THE TRUST COMPANY AUDITOR.

The examiner of a trust company must become familiar with the different undertakings of the several departments of the company. He will approach each as a new proposition. He will bring to bear in his work all the experience that has accrued in the investigation of various industrial and mercantile operations, and he will proceed with his undertaking cautiously and ever with an eye looking out for the unexpected.

First will be the division of the trust company into its several departments. These are more or less numerous, according to circumstances. Each of them is more or less developed, likewise according to circumstances.

He first takes up, for example, the department devoted to individual trusts and the management of estates, including such matters as executorships and trusteeships under wills. In this division he must follow out each individual trust and examine it on the merits of the case and not from the standpoint of any fixed rule.

Next, for example, he takes up the questions of administration, and in this department considers the company from the standpoint of administrator, trustee, guardian, receiver, or assignee, as the case may be. Here again each individual undertaking must be examined from beginning to end, in order to put into the report that which he is expected to present.

Again, he takes up the question of trusteeship under mortgages issued by corporations or municipalities. Here there is the inquiry along specific lines to be assured that the company is not making mistakes and is not abusing the confidence reposed in it. And so we might go through all the different divisions of a trust company's business, including membership in underwriting syndicates, guardianship, managers of estates in the absence of owners, agencyship for the collection of interest, rents, etc., general financial agents, registrarship, etc.

Since a trust company's functions are so various and so numerous, an examination into its affairs for the purpose of certifying as to its condition is other than a simple matter. No rule expressed in few words can be laid down for the purpose. No single blank or form will meet the exigencies of the case, but the examiner

must patiently check up each of the several departments of the trust company and in each department follow out each of the several undertakings laboriously and patiently, until a definite conclusion is reached.

The examiner who approaches a trust company for the purpose of audit and investigation should know something of the origin and rise of these corporations in order to be in position to judge of their operations. What is there about trust companies that enables them to enter a field to all appearances fully occupied and in a period of less than a quarter of a century to succeed to the prominence which they at present hold?

This has been answered by one writer on the basis of the theory of natural selection. According to this writer, a gradual change in our financial conditions and the increase in our national wealth has led to corresponding changes in the structure of our monetary institutions and resulted in the formation of establishments suited to our changed environment, in the form, on the one hand, of trust companies with large capital and surplus to conserve, and, on the other hand, of banks solidified and amplified by amalgamation in order to be better able to handle the growing volume of our enormous trade. It was inevitable that the great stream of our bankable wealth, which has enormously increased of late years, should sooner or later become divided in this way, in order to separate that portion which was actively engaged in trade from our invested capital; and the extraordinary development of the trust companies already formed and the new life infused into banking show how beneficial to both the change has been under the new classification and division.

The whole design of banking is to further and facilitate trading operations, in which as a rule, two-thirds of its resources are directly employed in the form of discounts, and so unavailable for any other purpose. Trust companies, on the other hand, instead of using their capital in the way of discounts of personal obligations, keep it on hand for other uses. Trust companies are not concerned with trade risks. Accordingly, they are not shackled by restrictions imposed to guard against trade risks. The trust company of to-day, combining as it does every function of financial business, stands with respect to the financial world as the department store stands in the commercial world.

One or two general directions may be given in closing: What the examining auditor must do in order to prepare a complete report of the affairs of the trust company can be determined by measuring the affairs of the trust company by a balance sheet and profit and loss statement. It is customary with trust companies, as well as with banks, to put forth from time to time a statement of their affairs. This statement approximates a balance sheet but is not complete. On the other hand, a complete balance sheet or the outline of a complete balance sheet will give the standard by which the affairs of a trust company may be judged.

Let us consider just what these broad statements mean. The affairs of every trust company, as well as of every other business institution, are susceptible of statements in balance-sheet form. What are the assets and what are the liabilities? Preliminary to any balance-sheet statement must be a profit and loss statement. What are the expenses? What are the revenues? The profit and loss statement closed into the balance-sheet statement makes the latter complete.

At the outset, then, let the executor lay down broadly the accounts that to him seem necessary to constitute a balance sheet of the business. A balance sheet can contain nothing but assets and liabilities. What are the names of the accounts necessary to correctly represent the assets of the company? What are the names of the accounts necessary to correctly show the liabilities of the company?

In this analysis he must not be content with generalities, but instead must enter into details. The resulting statement will be very much more extensive than that in the form given to the public, and yet its footings will be identical with the footings of the published statement, provided, of course, that the latter is correct.

It will not be sufficient to put down in this balance sheet, for example, so many bonds of such and such an issue and then close that division of the account by saying, "other stock investments." Instead, the other stock investments must be laboriously and completely listed.

It will not do to put down bonds and mortgages, but instead bonds and mortgages must be extended in detail. It will not do to put down other outstanding accounts. Instead, these accounts should be completely and correctly listed. It will not do to put down cash on hand. Instead, there should be shown so much cash in the vault, so much in this bank and so much in another bank, as the case may be. Again, on the liability side it will not do to put down amount due depos-

itors, without the preparation of a complete list of depositors showing in detail what makes up the total. And so we might go on through the entire list.

There are always matters pending in trust company affairs which among the assets should be covered by some such account as items in suspense. Insurance paid in advance, and various expenses which have been anticipated and which are to be pro rated out as the months pass by, should come under this head. Items in suspense is a very proper entry in every balance sheet and yet there are comparatively few balance sheets which show the same.

On the other hand, there are various accrued expenses which are not yet paid which should go on the liability side of the balance sheet under the head of reserves. Taxes have accrued upon a certain piece of property, and yet are not due for three months to come. The accrued taxes to date should be placed under this head. Interest has accrued on money borrowed, but is not payable for some time to come. In charging into expense the expenses which occur, reserve for interest should be credited. In turn, when it comes to the payment of interest the reserve account is debited. Again referring to suspense, the reverse interest charge is to be managed the same way.

The thought underlying this suggestion is that the auditor who sets out to establish a correct balance sheet of a trust company thereby has pointed out to him the direction in which his investigations should extend, whereby he becomes cognizant of all the facts of the company and whereby he gets into a position to certify to the correctness of the statement he may prepare.

F. J. WADE, of St. Louis: Mr. Chairman, I would like to say a few words on the paper that has just been read. In order that we may reap some benefit—at least, some of us who are novices in this business—from attending this meeting, I think a plan should be formulated, and a schedule of prices made for the certification of bonds. After listening to this paper, it has occurred to me that if this section would prepare a schedule—which would be general, of course, in its character—as to what would be charged for the certification of a bond issue, whether it be private or public, corporative or municipal, that it would be well to call the attention of those issuing bonds to facts which would be of benefit and value. I know from my own experience, which has been rather limited, that I have frequently been asked what I would charge for the certification of an issue of $100,000 of bonds, and in another instance an issue of $500,000 of bonds. Inquiry has been made of me by others, and I am free to say that as far as I was concerned, it was a matter of bargain and trade and guesswork; that I knew of no rule that could be followed. It does seem to me, from the experience and ability represented here to-day, that this section through a proper committee could prepare such a schedule for general use.

MR. ENRIGHT, of St. Louis, Mo.: I came here to speak on this very subject, and to ask some questions. We wrote to Mr. Wade a letter, asking him what he would charge, on an issue of $100,000 of bonds. We had a case the other day where we were asked to certify on $4,000,000. The people were a large corporation, and they did not seem to know. There was no general rule, they did not know whether to charge $200, or $2,000. So, following Mr. Wade's words, I wish to move that a committee of five be appointed by the Chair to prepare a schedule of charges for certifying registered and coupon bonds, municipal and corporative, and whether the bonds are of denominations of different amounts.

The motion was seconded.

FRANK JONES, of Chicago: This is the first time I have had the pleasure of attending a bankers' convention, and, therefore, I feel some hesitancy in taking the floor; but, being interested in the trust company side of our bank, naturally I am interested in this question,

The motion just made I am afraid might not have the desired effect

which you gentlemen are seeking. If the trust companies would be bound by whatever resolutions might be adopted here, it might be well to pass it. I find that there has been, by tacit consent or otherwise, a schedule of prices for certifying an issue of bonds—that this bond is of that issue, etc.; but I also find that in the strenuous life which every one is now leading in business and otherwise, that that schedule of prices, which custom had almost made a law with trust companies, is being cut in various cities of the Union. Therefore, I doubt the wisdom or the expediency of such a resolution. As I said before, if the trust companies would be bound by it, well and good. If, for instance, it is merely an intimation to trust companies, to the officers, of what people are generally charging, why, possibly that is all right; but as to being effective on the various trust companies of the country, I have serious doubts.

THE CHAIRMAN: Is it Mr. Enright's idea that the members of the association should be governed by the scale of charges proposed by the committee, or whether it is simply a suggestion as to what is considered a fair and reasonable basis?

MR. ENRIGHT: That is it—for guidance and information. General Jones states that there is a tacit schedule, which is being cut. I have been unable to find any such schedule.

MR. JONES: I will give you the schedule. There is $1.00 for $1,000 bonds, and seventy-five cents for a $500 bond, and fifty cents for less, and every charge of less than $50 on an issue.

THE CHAIRMAN: It is also governed by the size, I believe.

MR. JONES: Of course. If it runs up in the millions, we make more charge. But that is the basis of the charge.

THE CHAIRMAN: I think experience shows that the scale of charges ranges from twenty-five cents up.

HENRY EITEL, of Indianapolis: I find a great variety of charges. The charges usually made are the charges that Mr. Jones has given. Some of them are in a special way. Of course, there is still another question, and that is the charge for attorney's fees. The matter of certifying bonds involves considerable responsibility, and in most cases the companies make the fee large enough to justify paying their attorney a fee. In other cases the fee for the attorney's examination is separate. I think it would be a great thing for the trust companies if we could arrive at some definite system of charges; but I think after you get into it you will find the difficulty of making charges that will suit for various cities of the country. At the same time, there is still another charge, and that is the collection of interest on the coupons. Some of the trust companies charge one-fourth of one per cent., and others collect the coupons as part of the original charge for certifying the bonds.

MR. SCUDDER, of New York City: I very much doubt the expediency of having such a resolution as this on our record. I think it would be poor policy to go before the public with any schedule, even if it is understood among ourselves that it is simply a suggestion or a basis for action. I think we should be very careful, especially in these days of agitation against corporations, to take any action that might give the impression that we were fixing a schedule of prices for rates.

MR. BABCOCK, of New York City: If we pass a resolution of this sort, why not have a committee on all the business of trust companies? Why not

say here that we will charge so much interest on our deposits? This is a matter for the individual trust companies to deal with, I think.

MR. WADE: It is not my idea—and, of course, I am thoroughly conversant with the facts—that this resolution makes anything compulsory upon us. But it is my idea that in centres where competition is active, it is perfectly within the province of members of an organization such as this to make a suggestion among themselves as to what they thought should be wise in regard to certain prescribed conditions. For instance, the theoretical schedule that the gentleman from Chicago referred to ranges from twenty-five cents up. It is manifest that it would be unjust to charge a man with an issue of $8,000,000 of bonds as much as you would charge a man with an issue of $100,000 in bonds. It is in the light of information. It is based upon the theory that the Trust Company Section was organized for a purpose, that purpose being for the dissemination of information and for the exchange of ideas that might be beneficial to our respective corporations. Now, the fear of antagonizing the great, grand and glorious public is magnificent; but there is nothing in it, in fact, if the committee which I have every confidence in, would prepare a report of what they thought was an equitable and a just charge for the certification of bonds, it would point out to every banker, to every trust company official, to every investor, the great danger that you and I and every other man has, of taking a certificate of stock or a corporate bond. Without the certification of some responsible institution. I can get along without it in my company, as all of us can, but if we are going to come here year after year, and hear papers read, and be afraid to take action that is based on sound business principles, why, then my understanding of the purpose of our gathering is altogether wrong.

THE CHAIRMAN: I will ask Mr. Enright to read his resolution again.

MR. ENRIGHT: This is the resolution: "And in the matter of certifying bonds of trust companies, and the protection given by various engraving companies, in the engraving of bonds, a committee of five be appointed, with the request that they investigate and report at the next meeting of the section."

THE CHAIRMAN: Gentlemen, you have heard the resolution. Are there any further remarks upon it?

BRECKINRIDGE JONES, of St. Louis: I would move to amend that resolution by making the number of the committee three instead of five. This work will all have to be done by correspondence, and it can be much easier done by a committee of three than a committee of five. I think, with Mr. Enright, that if it is provided that a committee is to report, they can get reports from the various engraving companies as to the methods of protection, so that members of the section will be in a position to have the information which will enable them to see which company they ought to patronize. So, if it is left in the shape suggested, that in the matter of certifying bonds by trust companies, and the protection given by the various leading engraving companies in the engraving of bonds, a committee of three be appointed, with the request that they investigate and report at the next meeting of the section, I am sure all of us would like to know just what protection the engraving companies give us. Within the last six weeks, in an issue of several millions of bonds, when they were received by our company, and about to be counted, and were, in fact, counted, it was found that a $100 bond, numbered, say, from 1,000 to 1,100, happened not to be in the package where

it was expected to be found. Whether it had been stolen in transit, or left out by the engraving company by accident, there was no way of determining. The result was that that issue had to be destroyed and a new issue printed in a different colored ink. Now, I would like very much to know exactly the method of that engraving company. Undoubtedly, they had some sort of a system. Certain companies are required to give a bond to protect against accidents of this sort. What those protections are, I do not know, but it would be valuable to us if we could know. We could ask the various leading engraving companies, and when we had their answers, it would possibly enable us to determine which company we ought to patronize. If it is policy for the New York Stock Exchange to require a bond, why it might possibly result in the future that this Trust Company Section, representing nearly five hundred trust companies, that they would patronize them if they gave a bond of the New York Stock Exchange, and that a bond might be given to this section, or to some trustee of the section, for the benefit of the members of the section. If just the open question were referred to a committee as stated here, I think it would be productive of some good.

THE CHAIRMAN: Is the amendment seconded?

MR. WADE: I will second it.

MR. ENRIGHT: I will second the amendment.

MR. PARKER, of Quincy, Ill.: Judging from the importance of the matter, the reference of this motion to a committee will put the matter off for some time. I think it might be material to ascertain those facts and have them reported in, say, ninety days, rather than to wait a year hence.

THE CHAIRMAN: The report might be made by the committee to the executive committee of this section, and then the executive committee could promulgate the information as they saw fit to the various members of the section.

MR. WADE: As the seconder of the original motion, I cannot accept that amendment. I think if we have gone along for twenty years without it, we can wait until next year. We better let it go until next year's convention, and then have the committee report.

MR. PARKER: I will withdraw my amendment, then.

THE CHAIRMAN: Then the motion comes up on the original amendment, except as to the amendment changing the number of the committee from five to three, which has been accepted. All in favor of the adoption of the amendment will manifest it by saying aye—opposed, no. Adopted.

Is there any trust company here that has an auditor upon its force? The question has been raised as to the desirability of having an auditor among the officers of trust companies. Investigation has been made by a special committee appointed for such purpose, and it has not found any trust companies who have such an officer. That is why I make this inquiry now.

H. O. EDMONDS, of Chicago: I desire to state that the Northern Trust Company has an officer on its staff, an auditor, whose business it is to constantly check and audit all books of account, and to suggest modifications and improvements in the system for doing the business of the company, both in its banking, savings, and trust departments; this includes the checking of the accounts of the trust department—in fact, every branch of the trust company's business. We have run under this system for over a year, and we do not think we could possibly get along without it.

THE CHAIRMAN: Is this examination made periodically or constantly?

MR. EDMONDS: It is being made constantly. In the first place, every account in the books is checked by the auditor within twenty-four hours, and the securities of the bank are being frequently examined by him at unexpected times, at his convenience and dictation.

CLAUDE HAMILTON, of Grand Rapids: Our company has had for two years such a system in vogue. In addition, there is embraced within the duties of the auditor the statistics of the institution, showing the average rate of interest on loans which the company is receiving, etc.—covering the general statistics of the company.

C. E. WILLOCK, of Pittsburg: I remember that the Fidelity Title and Trust Company has such an officer on the staff, and his duties are practically the same as described by the gentleman from Chicago. We have had this officer for about fifteen months now, and his services are very valuable to us.

MR. KELSEY: Where do they find this auditor? Do they educate him from their own staff, or do they hire him from outside?

MR. EDMONDS: The auditor in our case was promoted from the ranks. He developed exceedingly well in that field, and so he was put forward in this position when we created the position of auditor. I desire to say that my encounter with him, in the first instance, was a very humiliating one for me, because he found a number of things that I had overlooked.

CLARK WILLIAMS, of New York: The United States Mortgage and Trust Company has a comptroller who performs the functions spoken of by the previous gentleman.

MR. WADE: In our company, we are examined by the State Bank Examiner, and then by our own auditing committee, and then by a committee of expert accountants. But I have found that the expense and convenience are such as to justify the establishment of an auditor in our bank.

BRECKINRIDGE JONES: The system that has been in vogue with us in the Mississippi Valley Trust Company in St. Louis has been this: In the first place, our by-laws require that semi-annually all the books, papers and accounts of the company shall be checked over by a committee of three stockholders, who are not directors. So that on the first of January, and on the first of July, we have had a committee of three stockholders, not directors, who do this work and who go through it very thoroughly. They take the statement of the company as of the last day of December, and they check that over; they take the deposit account, and they go through and see that the statement as carried into the statement book was made up of the balances of the various depositors; they take the certificates of deposit and check through from the stubs of the book, and see that every outstanding certificate is accounted for. Then that list is checked over by them, so that there can be no chance of any mistake being made. We have found this plan very useful, and it has been a matter of education for our stockholders, and has proven a very valuable means of advertising. We have encouraged it, and have set out in our own office a form that is handed to the new committee as a suggestion as to how they shall proceed, and those suggestions are predicated upon the experience of the committees through the last ten years.

I think, however, that there should be an auditor, and one that would check those matters up every day, as in the nature of the case there are many things that are not up to date. To meet some of them we try to have a daily report, signed by the head of each department, and filed with the officers of the company. That report calls for questions as to whether the

books have been all written, and whether the transactions are all up to date, and whether any clerks are absent, and what not; and, in order for the head of the department to make those reports, he must have everything in shape. I think it would be a great advantage, in addition to all this, if there was an auditor of the company. I think it would be well if we could get a paper from the auditor of some of these companies, and have it read to us at our next meeting. I think the suggestion which he might be able to make to us would be very valuable.

A. G. HODENPYL, of Grand Rapids, Mich.: I would like to explain to the members the plans of the committee with reference to this question of audit. At a meeting of the executive committee last February, a sub-committee was appointed, charged with the duty of formulating and having printed a plan for the continuous audit of trust companies. The sub-committee was astounded to find that there were only three trust companies in the United States employing an auditor at all times—each company seemingly having been a law unto itself, each one having studied its own method—all of which worked very well. It was a most difficult thing to make a periodical examination of trust companies. It could not be very satisfactorily done. But the intricate machinery was so different in almost every institution that it was very difficult to devise any plans. I think the only way is to do it from day to day, if that committee is very anxious to lay out a plan—not a plan to be followed letter by letter by every trust company, because that would be manifestly impossible, but a general plan which could be printed and circulated to each member of the section, which would give a working idea which they could elaborate for their own particular and individual use. I would ask Mr. Kittredge if he would let this auditor help this committee in its work?

MR. KITTREDGE: Certainly.

MR. HODENPYL: During the next year this committee intends to go ahead and formulate this plan and have it ready for the next meeting, and if any of you gentlemen can help the committee in its work, I would be glad if you would do so.

THE CHAIRMAN: Gentlemen, the next thing on the programme is an address on "The Development of Trust Companies on the Pacific Coast," by Mr. J. Dalzell Brown.

THE DEVELOPMENT OF TRUST COMPANIES ON THE PACIFIC COAST.—ADDRESS OF J. DALZELL BROWN, OF SAN FRANCISCO.

I hope I may be pardoned for referring particularly to my company in this paper, but as the California Safe Deposit and Trust Company was the pioneer trust company on the coast, as well as the first one organized west of the Missouri River, it may be that a brief sketch of its history will aid in illustrating—"The Development of Trust Companies on the Pacific Coast."

The California Safe Deposit and Trust Company was incorporated April 24, 1882, and its articles of incorporation, besides empowering it to engage in the business of safe deposit and banking, also empowered it "To accept and execute trusts of every description as may be committed to it by any person, executor, administrator, guardian, trustee, receiver or by any corporation or by any court, and in legal manner to attend to the management and settlement of estates, guardianships, assignments and receiverships." At the time of its organization, my company took over the good will of a corporation which for eight years previously had been engaged in a safe deposit business, and confined itself to that business until early in 1883, when it opened an office for the purpose of engaging also in a trust and banking business. It was found, however, that although the articles of incorporation gave the company power to act in a trust capacity, there was no law on the statute books of the State affecting such a corporation, and for several years little was

accomplished in our trust department, the business of the company being confined to banking and safe deposit.

POWERS OF TRUST COMPANIES.

At a session of the Legislature of California held in 1889, an act was passed which gave powers to certain corporations to act as executor, administrator and in other trust capacities, but that act was deficient in many respects, and in 1891 the attorneys of my company prepared a bill which was presented to the Legislature and afterwards became a law. This act, which became operative April 6, 1891, is very broad in its nature and permits corporations properly qualified to act in various trust capacities, and, with one immaterial amendment, is the present law under which the trust companies of California are doing business. The salient features of this act are that a corporation to do a trust business must have a paid up capital of not less than $250,000, and, before accepting any deposit of trust funds, must deposit with the Treasurer of State for the benefit of its creditors $100,000 in certain approved securities. It declared that such corporations shall be liable to the full extent of their capital for failure to perform any trust duties encumbent upon them. It authorizes any executor, administrator, guardian or other trust officer, upon an order of court having jurisdiction to deposit with such corporations money or other personal property, and upon making such a deposit he is to be discharged from further responsibility. In such cases, the money and securities deposited may be paid out or delivered only upon the order of court. It requires the payment of interest upon all money deposited at such rate as may be agreed upon, and it limits the amount of money which any such corporation shall have on deposit to ten times the amount of its paid up capital and surplus, and its outstanding loans shall not at any time exceed such an amount. Such a corporation is required to increase its deposit with the State Treasurer to the sum of $500,000, when the value of the personal property and cash held by it by virtue of this act exceeds $2,000.000. The law further requires that each corporation shall file with the board of bank commissioners semi-annually a statement showing its financial condition, also a list and brief description of all trusts held by it. This statement must be verified by the affidavits of two of the directors and one of the managing officers who are required to state that they have examined the assets and books of the corporation for the purpose of making such statement. No corporation is permitted under our laws to engage in a trust business until it has made the required deposit with the Treasurer of State and has received from the board of bank commissioners the certificate of authority authorizing it to accept trusts and receive deposits of trust funds, and it is at all times under the supervision of that board.

At the time of the passage of this act, my company was still the only company in California engaged in a banking, trust and safe deposit business. Another company, the California Title Insurance and Trust Company, was incorporated in 1886, but its business was confined to insuring real estate titles. It is still so engaged, but since the passage of the act of 1891 has qualified as a trust company. It has never transacted a banking business.

Since 1891, several other companies have entered the field, and, after qualifying by making the required deposit with the State Treasurer, have receivd the authority of the board of bank commissioners to transact a trust business. There are a number of corporations in California styled trust companies, that are engaged in purely a banking business, as they have not qualified as trust companies under our laws. Many other companies have been formed in this State with the attractive title of trust company, but they are such in name only and are usually designed to deceive the public.

There are but seven authorized trust companies in California, as follows:

California Safe Deposit and Trust Company, San Francisco. Incorporated April 24, 1882. Paid up capital, $1,000,000.

California Title Insurance and Trust Company, San Francisco. Incorporated February 19, 1886. Paid up capital, $250,000.

Union Trust Company of San Francisco. Incorporated February 6, 1893. Paid up capital, $1,140,000.

Title Insurance and Trust Company of Los Angeles. Incorporated December 20, 1893. Paid up capital, $500,000.

Germania Trust Company, San Francisco. Reorganized May 31, 1898. Paid up capital, $376,000.

Mercantile Trust Company of San Francisco. Incorporated April 18, 1899. Paid up capital, $1,000,000.

Los Angeles Trust Company, Los Angeles. Incorporated July 15, 1902. Subscribed capital, $1,000,000 (which has just commenced business).

An examination of the last reports to the board of bank commissioners shows that these companies have a combined paid up capital of $4,266,000, and surplus and profits amounting to $1,194,000. Their deposits are $18,664,000, and their trust assets are stated at $15,640,000.

As my company was first in the field, it was obliged to advertise extensively the features of its trust department, but several years passed before much business resulted, for the company stood alone in the community and was in a sense unique, and it was difficult to impress upon the public that the trust feature was not some kind of security as relating to the renting of safe deposit boxes. In fact, I recall where a client wrote us asking for "Twenty dollars' worth of trust."

The people of San Francisco had been slow to take up the new idea of a corporation managing the estates of deceased persons or others, and I might say it was almost a boon to our company when competitors entered the field ,and by so doing advertised more generally the nature of the business in which we were engaged. Since the advent of these competing companies, our business in all departments has increased to a marked extent.

In former years it was not thought that an issue of bonds could be floated in this market unless the corporation issuing the bonds selected an eastern trustee. Now, however, that all of the local companies have a recognized standing in the community, one of them is usually selected as trustee in an issue of bonds by a western company, and it is rare indeed that a trusteeship goes to the East. When my company was without competitors, we insisted on a fee of one dollar per $1,000 for accepting a trust and certifying bonds under it, but I regret to state that conditions have changed in that regard, for competition is very keen with us. Indeed, I have information that an issue of bonds was taken recently by one of our companies for fifteen cents per $1,000, but this, I must say, was an exceptionally low charge.

At one time practically all escrow agreements were deposited with our commercial banks, but now that class of business is being largely handled by the trust companies. As in the case of mortgage trusts, there is no uniform scale of charges for escrow matters existing between the companies.

The registration of stocks has never had a vogue in San Francisco, as the people generally do not understand the safeguards consequent on registration and the stock exchanges have never objected to dealing in securities which are not registered. The result is that, except in the case of one or two corporations, stocks pass from hand to hand without registrations, and this condition of things will doubtless continue until some corporation floods the market with over-issued stock. It may then be that brokers, as a protection to their clients, will decline to handle any stock which lacks registration.

During the past three years upwards of 3,000 oil companies have been formed in this State, and although an infinite number of them are of the "wildcat" species, there are many bona fide concerns. A large number of these have their transfer offices in interior towns, although their stocks are largely held in San Francisco. I saw the possibility of my company taking on a big line of business if the transfer agency of these companies could be secured, and I interested the Oil Exchange so that a resolution was adopted by that body recommending the appointment of my company as transfer agent. Armed with a certified copy of this resolution, one of our men interviewed the representatives of the leading oil companies, but nothing was accomplished, as the executive officers saw the possibility of their monthly stipend being jeopardized in the event of such an arrangement being made, and besides there was on the part of the directors the dread born of ignorance of our proposition, that in some way the control of their companies would be taken out of their hands.

I believe that perhaps with one exception none of our local dividend-paying companies employ a trust company to disburse dividends, nor has it been the custom to appoint the trust company as transfer agent of their stocks.

Although we have to-day in San Francisco a large number of bond buyers, an investment bond has never attracted the old-time Californian. He has been in the habit of buying or selling speculative stocks and has figured on making a turn whether his particular stock went down or up, and interest on his investment has been usually a secondary consideration. He has expected to make a gain or loss over night, and he has had no use for a twenty-year investment. This is doubtless the reason why none of our local trust companies have fallen in line with

eastern methods and added a bond department to their business. This is a feature that will no doubt receive attention from our companies when eastern ideas prevail in this community more than at present.

The records of our probate courts disclose the fact that all of our companies are receiving a fair share of trust business, and that they are to a much greater extent than in the past displacing the individual in trust capacities. The people of San Francisco are gradually awakening to the advantages of selecting a corporation as executor or trustee instead of an individual, and this will become more and more the case as sentimental prejudice is overcome and the scope of the trust company is better understood.

The four local trust companies doing a banking business make a very creditable showing in that department, although banking conditions in San Francisco are somewhat peculiar, as Savings banks have always had such a strong hold on the public. There is one savings bank in San Francisco with deposits of over $52,000,000, and our three largest savings banks have deposits aggregating $114,000,000. In San Francisco there are nine Savings banks with capital and surplus aggregating $10,000,000, and with combined deposits of $138,000,000. It is stated that there are 202,381 depositors having accounts in these banks, and as the last census gave San Francisco a population of 342,000, the showing is remarkable. The average individual deposit in these banks is $632.93, which, I believe, is greater than the average in any other city in the Union.

SAVINGS DEPARTMENT PROFITABLE.

In December, 1890, my directors deemed it advisable to add a savings department to our business, it being found that we could not compete with commercial banks, as our by-laws prohibited us from granting commercial credits. The savings department as a feature of the company's business has been found to be profitable and attractive. This feature has been adopted by other California trust companies, and I believe also with good results. When our savings department was added, the interest rates paid by the local savings banks were exceedingly high, being in some cases four and one-half per cent. on ordinary deposits, and five four-tenths per cent. on term deposits. Interest rates, however, have been gradually reduced, until now we pay three per cent. on ordinary and three and six-tenths per cent. on term deposits. Several years ago my company adopted the practice of eastern banks of allowing interest on daily balances, subject to check.

We pay interest on time certificates of deposit ranging from two and one-half per cent. on a thirty days' deposit to three and one-half per cent. on a six months' deposit, our rule being to require one day's notice for each $1,000 before withdrawal, and we advertise all of our interest rates. It is known that all of the local trust companies, as well as a number of the commercial banks, pay interest on certain of their deposits, but as they do not advertise the fact, their rates cannot be given.

There are in San Francisco thirty-three corporations engaged in banking with a combined paid up capital of $25,000,000; surplus and profits, $26,000,000, and owing depositors, $222,000,000.

For the State of California, the banking institutions have a paid up capital of $52,000,000; surplus and profits, $39,000,000; amount owing depositors, $368,000,000. The deposits have increased over $55,000,000, as compared with the totals of a year ago.

So much for California.

TRUST COMPANIES IN OREGON.

There is no law in Oregon permitting corporations to act as executor, guardian or administrator, although there is a general law under which trust companies incorporate. As the companies doing a trust business in that State are not required to publish any reports or statements as to their condition, it is somewhat difficult to obtain accurate data in regard to them, and for the information I have received I am indebted to A. L. Mills, second vice-president of the Security Savings Bank and Trust Company, Portland.

There are three companies doing a trust and banking business in Oregon with a combined capital of $755,000, and deposits of about $3,000,000. These companies are: The Title Guarantee and Trust Company; the Portland Trust Company of Oregon, and the Security Savings and Trust Company, all of Portland.

WASHINGTON BANKING INSTITUTIONS.

As to the condition of trust companies in Washington, E. Shorrock, President of the Northwest Trust and Safe Deposit Company, Seattle, has written me in reply to a letter of inquiry as follows:

"There is no special act governing either banks or trust companies in this State (Washington). Virtually the only special provision as to banks is that contained in the law respecting corporations generally to the effect that there must be a minimum capitalization of $25,000, with not less than 60 per cent. paid in, and that shareholders in companies doing a banking business are liable to double the extent of their shareholdings. There have been several attempts on the part of the bankers of the State to formulate a measure for introduction into the Legislature governing banks and trust companies, but so far without success. It is probable, however, that another attempt will be made for the session of the Legislature which will be held in the early part of next year."

As in the case of Oregon, the Washington trust companies are not required to file statements, but Mr. Shorrock states that the capitalization of the five companies engaged in trust business in his State is about $725,000, with surplus and undivided profits of about $40,000, and deposits of about $4,000,000. These companies are: The Spokane and Eastern Trust Company, Spokane; the Fidelity Trust Company, Tacoma; the Northwest Trust and Safe Deposit Company, Seattle; the American Savings Bank and Trust Company, Seattle, and the People's Savings Bank, Seattle.

It seems almost necessary in concluding my paper to offer an apology to the representative of the large eastern trust company for the showing made by the companies on the Pacific coast, and I would ask him not to compare the "babes of the West" with the "giants of the East," for—speaking of California—such companies have existed for only about eleven years, or, say, since the passage of the act of 1891, and the average age of the seven companies now doing business is a trifle under seven years. The prospects for the future, however, are very encouraging, when the companies, so to speak, put on long trousers.

THE PRODUCTS OF CALIFORNIA.

Since the "spring of '49," California has made the world richer by $1,500,000,000 in gold extracted from her mines, and she is still a gold producing State. She is rich also in copper and iron ores and in manganese. We have coal and fuel oil, and in certain sections natural gas. The finest timber in the world is still uncut in our forests. Our wheat is helping to feed millions of Europeans, and our flour is being exported in shiploads to China and the far East. We are sending "coals to Newcastle" by shipping our wines to European wine-making countries, and many a bottle of our wine is sold in the eastern States, and, doubtless also nearer home, under a French label and pronounced excellent by the connisseur. The products of our orchards and vineyards are known not only in the East, but throughout the civilized world, and was it not California that built the "Oregon?" California, I am glad to say, is becoming renowned for something more than its climate, which as every good Californian says is the best on earth, and this State is not merely a haven for the eastern consumptive. California is rich in natural resources which are only awaiting capital and labor to develop, and our fertile valleys are open for colonization and will some day be supporting a teeming population.

San Francisco, the New York of the West and the gateway to the Orient, has awakened to her natural advantages and grand opportunities and possibilities, and is fast taking her place as one of the foremost cities of the world, and I confidently express the belief that as she increases in population and in wealth, so will our trust companies grow in influence, usefulness and strength until they make a showing that will faithfully reflect the progress and development of our well-beloved city by the Golden Gate.

THE CHAIRMAN: The next business in order is the election of three members of the executive committee to serve for three years.

BRECKINRIDGE JONES: Mr. Chairman, I believe the regular order is that we first elect a chairman, and a vice-chairman, and then the three members of the executive committee.

THE CHAIRMAN: Yes, I think you are correct. The Chair was in

error about it. Gentlemen, first in order will be the nomination of a chairman of the section.

BRECKINRIDGE JONES: I nominate John E. Borne, President of the Colonial Trust Company, of New York City, for chairman. He is a gentleman very effective in his work; he is now our vice-president, and I have the pleasure to nominate him for chairman of the section for the ensuing year. He is not present at this meeting, unfortunately, as he has been unavoidably detained.

The nomination was seconded by several members of the section.

THE CHAIRMAN: Are there any further nominations? If not, I declare the nominations for chairman closed.

MR. HODENPYL: I move that the secretary be instructed to cast one ballot for the election of Mr. Borne as chairman of the section.

The motion was seconded and carried, and the secretary cast the ballot of the section for the election, as directed.

THE CHAIRMAN: I declare Mr. John E. Borne, of New York, unanimously elected chairman of the section for the ensuing year.

THE CHAIRMAN: Nominations for vice-chairman are next in order.

MR. MIDDENDORF, of Baltimore: I nominate Mr. Breckinridge Jones for Vice-Chairman.

MR. WADE: I second the nomination, and in doing so I would say that Mr. Jones is practically the father of this section, and I have no doubt that if he is elected to this position that our meeting next year, if possible, will be an improvement on this.

THE CHAIRMAN: How will Mr. Jones be elected?

MR. ENRIGHT: I move that the Secretary cast the ballot of the section for the election of Mr. Jones.

The motion was seconded and carried, and the secretary cast the ballot of the section, as directed.

THE CHAIRMAN: I declare Mr. Breckinridge Jones, of St. Louis, regularly elected vice-president of the section.

MR. HODENPYL: As a member of the section, I ask the chairman to surrender the chair to Mr. Jones, while I make a few remarks which may be perhaps somewhat personal to the chairman.

Mr. Breckinridge Jones then took the chair.

MR. JONES: Nominations for members of the Executive Committee for three years are now in order, I believe.

MR. HODENPYL: Yes, sir; and I wish to nominate for the first vacancy Mr. John Skelton Williams, now retiring as chairman of the section. Mr. Williams has given a great deal of thought to the work of this section, and has given great ability to it, and we want to have him on the executive committee where we may have the continued benefit of his judgment and good work. I make that motion, sir.

The motion was seconded by various members.

J. SKELTON WILLIAMS: Gentlemen, I thank you very much for the compliment you have paid me in nominating me, but I think it would be very good practice to bring in new blood every year. It has been a pleasure for me to do what little I could for the section during the last year, but I think you ought to have new blood injected into the committee work.

MR. HODENPYL: There will be ample opportunity for putting new blood in it later on. I press my motion, Mr. Chairman.

MR. ENRIGHT: And I believe, with Mr. Williams, that we ought to have

three entirely new members, and that it should be the custom that the chairman of the section each year, as he retires, be added to the executive committee. This will give us the benefit of the Chairman's advice on the committee every year.

CHAIRMAN JONES: The Chair would state to Mr. Enright that the by-laws of the association, and the law of the parent association, under which we operate, limit the number; and, therefore, the suggestion he makes is impossible to be carried out, by adding the retiring chairman, until those laws to which I have referred have been amended.

MR. ENRIGHT: Then I withdraw my suggestion.

CHAIRMAN JONES: This morning the parent association adopted the policy of providing that all ex-presidents of the association should be members ex-officio of the executive council for life; but our laws have not been so amended yet.

Now, gentlemen, all in favor of the motion made by Mr. Hodenpyl, that Mr. Williams be elected a member of the executive committee, will signify by saying aye—those opposed, no. Carried unanimously.

MR. HODENPYL: I move that the secretary be requested to cast the ballot of the section for the election of Mr. Williams.

The motion was seconded and carried, and the secretary cast the ballot, as directed.

CHAIRMAN JONES: I declare Mr. Williams elected.

MR. WADE: I nominate Mr. A. J. Enright, of St. Joseph, Mo., on that committee. I can assure you all that if he is elected he will give all the time necessary to the discharge of the duties of the position.

The motion was seconded.

MR. MATHER: I nominate Mr. S. F. Haserot, President of the Prudential Trust Company, of Cleveland, Ohio, for the other position.

The motion was seconded.

THE CHAIRMAN: This fills the vacancy of the three outgoing members.

On motion, the secretary cast the vote of the section for the election of Mr. Haserot.

THE CHAIRMAN: The three gentlemen just elected will serve for the coming three years.

MR. HODENPYL: At the request of Mr. Borne, I wish to present his resignation as a member of the executive committee. His time would not expire for one year, but inasmuch as he has now been elected chairman of the section, he resigns as a member of the committee.

THE CHAIRMAN: If there is no objection, his resignation will be accepted, and we will proceed to elect someone to take his place for one year.

MR. HODENPYL: I nominate Mr. H. J. Wells, President of the Rhode Island Hospital Trust Company, of Providence.

The motion was seconded.

MR. ENRIGHT: I wish to put in nomination Mr. E. H. Reninger, of Allentown, Pa.

THE CHAIRMAN: Are there any other nominations?

J. SKELTON WILLIAMS: I nominate Mr. Clark Williams, of New York City.

THE CHAIRMAN: Are there any other nominations? If not, I declare the nominations closed. I will appoint Mr. Fries and Mr. Freling as tellers, and we will now proceed with the election.

WM. G. MATHER, of Cleveland: I simply want to state, without any animadversion upon the members who have been nominated, that it seems as if it would be very appropriate that the gentleman who has been nominated as a representative from New England would be the most appropriate candidate, because we already have three men from New York City. While there is no one who admires Mr. Williams more than I, yet it seems to me that Rhode Island should have the man.

MR. WILLIAMS: I quite agree with what Mr. Mather has said, and I desire to withdraw my name.

MR. WADE: I would like to say in behalf of Mr. Reninger, that he has been a very effective member of the section, and he comes from the home of trust companies—Pennsylvania.

THE CHAIRMAN: Gentlemen, we will proceed to the election.

The election resulted in the following vote: Wells, 21; Reninger, 9.

THE CHAIRMAN: Gentlemen, the ballot stands twenty-one for Mr. Wells, and nine for Mr. Reninger. It, therefore, declare Mr. Wells elected.

There is before the meeting a recommendation of the executive committee, as to holding the meeting of the section next year on the day preceding the Tuesday upon which the American Bankers' Association begins its annual meeting. What shall we do with that suggestion?

MR. HASEROT, of Cleveland: I move that the recommendation be adopted.

MR. WADE: I second the motion.

FRANK JONES: May I ask whether the association always meets on a Tuesday?

THE CHAIRMAN: Yes, sir.

MR. MATHER: At the suggestion of Mr. Hodenpyl, I would like to change the motion to read on the Monday preceding the first day of the meeting of the American Bankers' Association.

The motion was adopted in this form.

MR. WADE: There is the committee of three to be appointed, I believe?

THE CHAIRMAN: That appointment will be made by Mr. Williams—not by me.

MR. MATHER: I would like very much to refer to Mr. Williams's very able address on the subject of the "Certification of Municipal Bonds." We are all at times called upon to buy bonds. We are called upon always to loan money upon bonds. We are called to invest more or less of our trust funds in bonds. It has been my experience that in the question of certification there has not been sufficient care taken, and on that account I wish to say that Mr. Williams' address deserves perhaps a little more serious thought, and possibly some method of bringing about the very desirable things that he mentions can be devised. There are two reasons, primarily, why I bring this up at this time; one is this: it is the business of trust companies to get business for themselves; naturally we are all interested in that phase. It is likewise the business of the trust companies to protect the people with whom they do business. Under the present conditions governing the issue of bonds, especially by municipal corporations, the public is not protected. I am of the opinion that some method could be devised whereby a committee representing this section of the American Bankers' Association, could organize a plan for inducing municipal corporations to enlist the services of a competent trust company in certifying their bonds. I believe it would have the effect of bringing business to us that we ought to have, and I think it would also have the effect of creating a more stable

condition of municipal bonds. Reference that Mr. Williams made to the question in Cleveland, the fact that those bonds were forged, could not have been avoided under the laws that existed at that time. There are no municipalities or counties where the laws provide for absolute registration, but I am confident that if the public insisted upon having registration, the time would come when we would have it. For that reason I would like to present the following resolution:

Resolved, That a committee of three, of which Mr. Williams shall be a member, upon the certification of bonds of municipal corporations by trust companies, be appointed by this section, to report to the executive committee, the result of its investigations as to the proper method to secure the certification of municipal bonds by trust companies.

The resolution was seconded.

THE CHAIRMAN: The Chair would suggest that we have already appointed a committee on the general subject of the matter of the certification of bonds for trust companies, and whether or not the question just raised is not fully covered by the appointment of the committee you have provided for.

MR. MATHER: My understanding of the discussion of the preceding motion was to the effect that it was a question more of price. So far as this motion is concerned, and the resolution, it was the intention to present it in order to place it before our people as a matter of security. If that can be taken up and will be taken up by the committee, I am perfectly willing to withdraw this resolution now.

THE CHAIRMAN: The Chair will rule that this matter has been covered by the other committee, and states that the motion or resolution now offered will be referred to that committee, with a memorandum from the Chair.

FRANK JONES: It is quite possible that on the eve of our adjournment, we may involve ourselves in matters that may be more troublesome than we now anticipate. If I caught the meaning of the discussion with reference to municipal bonds aright, it looks to the guaranteeing of municipal bonds by the certification of a trust company. At present, as the representative of a trust company, I am not prepared to take upon myself that responsibility. I am sure I would not do it for $1.00 a bond, and even to leave it to a committee to report upon it might be a litle dangerous until this section can have a full discussion, so that any committee appointed may know fully what is in the minds of the members of the section in the discussion before them. I have a great deal of trouble with friends of mine coming to me and asking me about bonds. Are these bonds good? Like all trust companies, we do not take every trusteeship that is offered us, but if it is upon the face of it a good fair business proposition, we accept the trusteeship. I never have yet been in a position where I could recommend to a customer a bond, unless I would say to him I have bought some of these bonds, or John Smith or some one else that I knew has bought some of them. Now, if I understand the purport of this, I do not want to vote that any committee even shall submit to this section on a plan for making trust companies responsible as to the solidity or the genuineness, etc., of bonds, in the certification of the trust officer. Therefore, I suggest that it is probably too late in the session for us to take up what seems to me now a serious proposition.

THE CHAIRMAN: Then the Chair will withdraw the ruling suggested, leaving the question to come up on its merits. Therefore, the question before

this meeting will be on the motion as to whether a committee shall be appointed to formulate a plan whereby securities of municipal corporations shall be certified by a trust company.

Mr. Wade: I gather from what has been said that the point aimed at is to prevent the fraudulent issue of municipal bonds. Now, I suggest that in the State of Kansas that has been covered by requiring all municipal bonds to be registered with the State officer, and by him, and with his seal attached. There is an absolute guarantee as to the genuineness of the issue. Inasmuch as most of the State Legislatures will be in session this coming winter, I would suggest that a very little effort on the part of representatives of trust companies would secure the enactment of that same sort of a law in every State in the Union.

The Chairman: Gentlemen, what is your pleasure as to the appointment of this committee?

Mr. Reninger: I believe, under the laws of the State of Texas, municipal bonds, and also registered bonds, are registered by the State Auditor. Some cities do not issue coupon bonds at all; they issue certificates. I think that in States where there is no law to protect the issue of bonds, or to assure the legality of the issue of bonds, this registry by the trust company would be a safeguard and assurance of the proper issue of city securities.

Mr. Freling, of Missouri: In Missouri, State bonds are registered by our Auditor, but our statutes provide that he assume no personal responsibility.

Mr. Williams: May I inquire what is meant by the word "certify" in this resolution?

Mr. Mather: That we might know when an issue of that kind is authorized, it has been submitted to a trust company for certification.

Frank Jones: How can the committee be provided for except by a general law?

Mr. Williams: It seems to me that the duties which it is supposed to give to this new committee are included in those confided to the committee already authorized.

Mr. Wade: All this can be cured in a minute, if we will put Mr. Williams on that committee.

The Chairman: It was the opinion of the Chair that this matter was properly covered by the other committee.

Mr. Mather: I am not anxious to prolong this discussion, and I am perfectly willing to withdraw the resolution, and move that the matter be referred to the committee already appointed; my idea being not to present it as a separate proposition, but merely so that the ground will be entirely covered. Therefore, with the consent of my second, I will withdraw the motion, and move that the matter of the certification be referred to the committee previously authorized.

This motion was seconded and carried.

The Chairman: Gentlemen, I believe there is no further business to come before this section. I think we have had a very interesting discussion, and a very enjoyable meeting, and I trust and believe that next year we will have even a more profitable meeting.

As there is nothing further to come before the meeting, I declare it adjourned *sine die*.

SAVINGS BANKS SECTION.

A meeting of the representatives of the Savings banks and Savings institutions was held in the banquet hall of the St. Charles Hotel, New Orleans, at 3 P. M., November 11, at which a national organization was effected. The meeting was called to order by William Hanhart, of New York, who stated the object of the meeting and outlined the purpose of the organization in a brief address, in which

JAMES MCMAHON, *Vice-Chairman.*
(President Emigrant Industrial Savings Bank, New York.)

WILLIS S. PAINE, *Member Executive Committee.*
(President Consolidated National Bank, New York.)

those present showed great interest. Mr. Hanhart, who represented the Emigrant Industrial Saving Bank, of New York, was made temporary chairman, and G. Ad. Blaffer, of the Germania Savings Bank, of New Orleans, temporary secretary. The constitution and by-laws, as adopted, were as follows:

CONSTITUTION AND BY-LAWS.

Section 1. The administration of the affairs of this section shall be vested in a chairman and vice-chairman of the section, and an executive committee of nine members, who shall serve until their successors are chosen or appointed.

Sec. 2. The chairman and the vice-chairman shall also be members ex-officio of the executive committee.

Sec. 3 No chairman nor vice-chairman nor retiring member of the executive committee shall be eligible for re-election for a period of one year after the expiration of his term of office.

Sec. 4. The executive committee shall select its own chairman from among its members, and shall also select a secretary of the section, who may or may not be a member of the section.

Sec. 5. The executive committee, shall, as soon as may be after their organization, divide themselves by ballot into three classes of equal number, designated as the first, second and third class, of which the first class shall remain in office one year, the second class two years and the third class three years, and at each annual election members of the executive committee shall be elected for a term of three years to fill the vacancies created by the retiring class.

Sec. 6. The executive committee shall have power to fill vacancies until the next annual meeting, and may adopt all necessary rules for the business of the section.

An election for officers was held, with the following result:

Chairman—Myron T. Herrick, President Society for Savings, Cleveland, Ohio.*

Vice-Chairman—James McMahon, President Emigrant Industrial Savings Bank, New York.

Secretary—William Hanhart, Emigrant Industrial Savings Bank, New York.

Executive Committee—Chairman, G. Byron Latimer, Secretary Irving Savings Institution, New York city; H. C. Shafer, Cashier Scranton Savings Bank, Scranton, Pa.; C. M. Preston, Cashier South Chattanooga Savings Bank, Chattanooga, Tenn. (members for three years); G. Ad. Blaffer, Cashier Germania Savings Bank, New Orleans; Willis S. Paine, Metropolitan Savings Bank, New York city (members for two years); A. C. Tuttle, Treasurer Naugatuck Savings Bank, Naugatuck, Conn.; C. W. Laycock, Cashier Anthracite Savings Bank, Wilkes-Barre, Pa.; Edward J. Parker, Cashier State Savings Loan and Trust Co., Quincy, Ill. (members for one year).

A resolution was offered by Willis S. Paine, former Superintendent of the New York State Banking Department, to the effect that the tendency evident in this country to tax the deposits of Savings institutions is to be deprecated, and that the organization pledges itself to use all proper means to discourage this tendency. This resolution was adopted.

There was a good attendance at this first meeting of the Savings Banks Section and much interest was manifested. It is expected that this will soon become a very important auxiliary of the American Bankers' Association and that its work will be of great benefit, not only to the Savings banks themselves, but to the wage-earners of the country, especially in promoting the organization and efficiency of Savings institutions.

SOCIAL FEATURES OF THE CONVENTION.

In the variety and pleasurable character of the entertainments, and in the cordiality of the reception extended the visiting bankers, the bankers and citizens of New Orleans fully sustained the traditional hospitality of the South. The newspapers, too, gave up a large amount of their space each day to reports of the proceedings, and it is doubtful if the convention has ever received so much attention from the press as was given to the meetings each day by the leading newspapers of New Orleans. Their editorial pages also reflected a spirit of hospitality that was very gratifying to the visiting bankers.

On the evening of November 10 a banquet was given at the new St. Charles Hotel to the members of the executive council. James T. Hayden, President of the Whitney National Bank, and chairman of the local entertainment committee, presided. A sumptous ménu was served, after which Mr. Hayden briefly addressed the visitors on behalf of the bankers of New Orleans.

Hon. Wm. B. Ridgely, Comptroller of the Currency, spoke of the pleasure he felt at being in New Orleans. Mr. Hill, Mr. Russel, and Col. Lowry, as past presidents also spoke briefly. Myron T. Herrick, retiring president, Caldwell Hardy, the new president, and Frank G. Bigelow, chairman of the executive council, were among the other speakers.

The following New Orleans bankers were present as hosts:

James T. Hayden, E. F. Buhler, W. B. Rogers, J. H. Fulton, C. H. Culbertson,

* A portrait of Col. Herrick appeared in the October issue of the MAGAZINE, page 457.

Albert Baldwin, Jr., Walter Saxon, Geo. W. Young, George W. Nott, J. H. Ingwersen, G. Ad. Blaffer, Edward Herndon, Manager of the Clearing-House.

Other enjoyable incidents were a steamboat excursion to Kenilworth Sugar Plantation, the return being made by moonlight; also a reception in the spacious Palm Garden of the new St. Charles, which was crowded to its utmost capacity. Refreshments were served and dancing was participated in by a number of those present. Altogether the reception given to the bankers was one of the most notable that ever took place at the New St. Charles—one of the most magnificent hotels of the South.

The various other entertainments planned and carried out by the local committee of bankers were very delightful and were heartily enjoyed by the visiting bankers.

CONVENTION NOTES.

—California sent a delegation bearing an invitation to the next convention engraved on a gold plate. President James K. Wilson, of the San Francisco National Bank, assured the members that they could be accommodated with any kind of climate they desired in California.

—Col. Robert J. Lowry, President of the Lowry National Bank, of Atlanta, was one of the conspicuous figures of the convention.

He is one of the most prominent Southern bankers, and is a frequent visitor to New Orleans. Col. Lowry is a typical Southerner, and is a great favorite with the convention regulars. He is a fluent speaker, and is always heard with great interest because of his knowledge of conditions in the South. Col. Lowry was accompanied by his wife, who was as great a favorite among the lady visitors as her husband was among the delegates.

—"There is a strong demand for money in Indiana, which can only be explained by the industrial growth of the State and the large crops that are being moved," said W. F. Golt, Cashier of the Columbia National Bank of Indianapolis.

"I never saw anything like the present financial and industrial conditions—money is plentiful, rates good and the demand active—a combination that spells prosperity. Our farmers are getting good prices for their products and labor is well paid."

—W. T. Fenton, Vice-President of the National Bank of the Republic, Chicago, said: "We are in the midst of an era of prosperity the like of which the country has never seen, and this, I think, is but the beginning."

—"We have the most progressive city in the extreme West," said James D. Hoge, Jr., President of the First National Bank of Seattle.

Mr. Hoge is one of the youngest bank Presidents in the United States, and in addition to his Seattle interests he is President of the Bank of Cape Nome.

—P. C. Kauffman, Second Vice-President of the Fidelity Trust Co., Tacoma, Wash., said: "Tacoma is enjoying an era of growth and prosperity that shows the real value of the State of Washington. We have the finest country in the world out there, and people are flocking to the State. Seattle has a population of 125,000, and a few years ago it was no larger than Tacoma, which has a population of about 40,000. Business is good in all lines, and wages are good. In fact, we could not ask for more than we have in the way of prosperity."

—The general sentiment of the visiting bankers was well voiced by Lewis E. Pierson, Vice-President of the New York National Exchange Bank, who said: "New Orleans is a delightful city, and since I have seen the place and met the people, I would not have missed the trip for anything."

—Caldwell Hardy, President of the Norfolk (Va.) National Bank, reported that the business interests of Norfolk and the surrounding territory were never so prosperous.

—W. O. Jones, Assistant Cashier of the Chase National Bank of New York and one of the most observant of the financiers in attendance upon the bankers' convention, recently made a tour of the great Southwest, and he is delighted with what he saw.

"My trip to the Southwest," he said, "has been of exceeding interest. I have had spread before me a section of our country which, for fertility of soil and rapid development, will compare favorably with any other portion of our land.

In Louisiana I have seen something of your rich, alluvial soil, deservedly celebrated for its crops of cane, rice and other products. In Arkansas I was informed by a leading banker that the cotton crop alone of Arkansas would this year bring in $40,000,000.

In fact, it would appear that, no matter in what direction an Easterner turns his attention in the great Southwest, he cannot be otherwise than most forcibly impressed with the fertility of its soil, its climatic advantages and the latent possibilities existing for a development yet but little comprehended."

—Walker Hill, President of the American Exchange Bank, St. Louis, and Col. Myron T. Herrick, President of the Society for Savings, Cleveland, delivered interesting addresses before the New Orleans Progressive Union.

—Frank G. Bigelow, President of the First National Bank, Milwaukee, and first vice-president of the association, said:

"I want to say this for New Orleans. She has entertained the Bankers' Association in a manner that exceeded my wildest dreams of her hospitality. We have certainly had a delightful time here and deeply appreciate the efforts exerted for our entertainment."

—Speaking of the result of the convention, President James T. Hayden, of the Whitney National Bank, New Orleans, said:

"The consensus of opinion of the rank and file of the visiting bankers is decidedly that the New Orleans meeting has been the most important and successful in the history of the association. Indeed, it would be strange if it were not, for each year brings to the convention increased experience and strength. Never have more important subjects for discussion been selected or more ably and thoroughly handled. The success of the financial institutions of the country is but the reflection of the prosperity of the people they represent. The proceedings are now part of the financial history of the United States.

The visiting members are very gracious in their appreciation of their welcome and entertainment, and many business and personal relations have been established and strengthened. To many, the visit to Louisiana has been a revelation. A very great benefit must come to our people, from the fact that they now know personally of our solid business conditions and the great inducements that the South has to offer. We have reason to believe it will lead to large investments of Northern and Eastern capital, and much future business."

— One of the best speeches was that of Joseph G. Brown, President of the Citizens' National Bank, Raleigh, N. C., who spoke on "The South."

— As usual, Ohio was very much in evidence. The Ohio man rarely gets left, at bankers' conventions or anywhere else.

— Breckinridge Jones, Vice-President of the Mississippi Valley Trust Company, St. Louis, gave a breakfast to the officers of the Trust Company Section, November 13.

— The biggest bank in the country—the National City, of New York—was represented by its Vice-President, Gilson S. Whitson.

— According to the "Times-Democrat" one of the delegates got worsted in an encounter with the French language and other things. Here is the story:

"One of the delegates drank several gin-fizzes in intimate relation with each other, and delivered himself thus: 'Your sayvoir fair down here is great. The tout ensembly of this convention is out of sight, but what gets me most of all is the connymore with which you receive your friends, even if they are strangers.' A Chicago delegate quietly said: 'He learned his foreign languages in St. Louis.' 'Not on your life,' said a St. Louis man warmly. 'He got his understanding (with a stress on the word) of foreign accent in Chicago.'"

MEETING OF THE EXECUTIVE COUNCIL.

The executive council met immediately upon adjournment of the convention, on Thursday afternoon, November 13, 1902.

E. F. Swinney, of Kansas City, Mo., was elected chairman.

George F. Orde, of Chicago, was elected treasurer.

James R. Branch, of New York, was elected secretary, and W. G. Fitzwilson, also of New York, assistant secretary.

The salary of the secretary for the ensuing year was fixed at $9,000, and the salary of the assistant secretary at $4,000.

Joseph G. Brown, of Raleigh, N. C., was elected a member of the executive council to fill the vacancy caused by the election of Mr. Bigelow to the vice-presidency of the association.

President Hardy, A. C. Anderson and A. L. Manning were added to the committee on fidelity insurance. The sum of $3,000 was appropriated for the use of this committee during the year.

The sum of $20,000 was appropriated to the use of the protective committee.

On motion, adjourned.

LIST OF DELEGATES ATTENDING THE CONVENTION.

ALABAMA.

A. F. Armstrong, Cas. Marion Central Bank, Marion.
E. I. Buck, Vice-Pres. City Nat. Bank, Mobile.
J. H. Barr, Vice-Pres. First Nat. Bank, Birmingham.
J. B. Cobbs, Pres. Alabama Nat. Bank, Birmingham.
H. Chadbourne, Jr., Dir. Central Trust Co., Mobile.
Louis B. Farley, Vice-Pres. and Cas. Farley Nat. Bank, Montgomery.
C. E. Frost, Cas. First Nat. Bank, Athens.
Jas. K. Clennon, Dir. People's Nat. Bank, Mobile.
Henry B. Gray, Pres. People's Sav. Bank & Trust Co., Birmingham.
F. C. Horton, Cas. Central Trust Co., Mobile.
M. B. Wellborn, Pres. City Nat. Bank, Anniston.
Geo. B. Ward, Mgr. Caldwell & Ward, Birmingham.
Chas. D. Willoughby, Cas. First Nat. Bank, Mobile.
H. B. Urquhardt, Cas. Alabama Trust & Banking Co., Sheffield.
Murray Wheeler, Sec. Central Trust Co., Mobile.
J. W. Whiting, Pres. People's Bank, Mobile.
Tom O. Smith, Cas. Birmingham Trust & Sav. Co., Birmingham.
W. W. Stringfellow, Pres. First Nat. Bank, Anniston.
Geo. A. Searcy, Pres. Merchants' Nat. Bank, Tuscaloosa.
Frank S. Moody, Pres. First Nat. Bank, Tuscaloosa.
Chas. A. Lyerly, Pres. First Nat. Bank, Gadsden.
F. B. Merrill, Pres. Central Trust Co., Mobile.
W. L. Lancaster, Cas. Bank of Wetumpka, Wetumpka.

H. W. Leinkauf, Vice-Pres. Leinkauf Banking Co., Mobile.
J. F. Johnson, Pres. Bank of Greenville, Greenville.
A. K. Kerns, Bank of Citronelle, Citronelle.
J. S. Hanley, Pres. First Nat. Bank, Demopolis.

ARKANSAS.

John G. Fletcher, Pres. German Nat. Bank, Little Rock.
W. H. Langford, Pres. Citizens' Bank, Pine Bluff.
C. F. Walker, Sec. & Treas. Little Rock Trust Co., Little Rock.
W. Y. Foster, Pres. Hempstead Co. Bank, Hope.

CALIFORNIA.

J. M. Elliott, Pres. First Nat. Bank, Los Angeles.
J E. Fishburn, Cas. Nat. Bank of California, Los Angeles.
S. G. Murphy, Pres. First Nat. Bank, San Francisco.
Jas. K. Wilson, Pres. San Francisco Nat. Bank, San Francisco.
Wm. B. Wightman, Vice-Pres. American Nat. Bank, San Francisco.

COLORADO.

H. K. Holloway, Cas. Trinidad Nat. Bank, Trinidad.
W. E. Mitchell, Asst. Cas. First Nat. Bank, Florence.
A. G. Sharp, Cas. Exchange Nat. Bank, Colorado Springs.

CONNECTICUT.

B. G. Bryan, Pres. Fourth Nat. Bank, Waterbury.
F. N. Benham, Cas. Bridgeport Nat. Bank, Bridgeport.
F. D. Hallett, Cas. First Nat. Bank, Winsted.
E. H. Judson, Treas. Bridgeport Trust Co., Bridgeport.
Geo. A. Lewis, Pres. Naugatuck Nat. Bank, Naugatuck.
Chas. N. Von Keuren, Sec. & Treas. Colonial Trust Co., Waterbury.
C. S. Messick, Pres. Merchants' Nat. Bank, New Haven.
Chas. F. Mitchell, Cas. Manufacturers' Nat. Bank, Waterbury.
Otis S. Northrup, Treas. Dime Sav. Bank, Waterbury.
Wm. H. Newton, Cas. First Nat. Bank, Wallingford.
W. S. Skelton, Cas. Connecticut Nat. Bank, Bridgeport.
A. Spencer, Jr., Pres. Aetna Nat. Bank, Hartford.
A. J. Sloper, Pres. New Britain Nat. Bank, New Britain.
A. C. Tuttle, Treas. Naugatuck Sav. Bank, Naugatuck.

DELAWARE.

P. L. Cannon, Pres. First Nat. Bank, Seaford.
J. S. Collins, Cas. First Nat. Bank, Dover.
J. B. Clarkson, Sec. & Treas. Security Trust & S. D. Co., Wilmington.

FLORIDA.

B. H. Barnett, Vice-Pres. Nat. Bank of Jacksonville, Jacksonville.
J. T. Dismukes, Pres. First Nat. Bank, St. Augustine.
James M. Graham, Pres. First Nat. Bank, Gainesville.

GEORGIA.

Jas. T. Anderson, Cas. Marietta Trust & Banking Co., Marietta.
Thomas E. Atkins, H. & T. E. Atkins, Maysville.
John A. Davis, Pres. First Nat. Bank, Albany, Ga.
Thomas Hopkins, Cas. Commercial Bank, Augusta, Ga.
Frank T. Hardwick, Mgr. C. L. Hardwick & Co., Dalton.
John M. Hogan, Cas. Germania Bank, Savannah.
L. P. Hillyer, Cas. American Nat. Bank, Macon.
C. J. Hayden, Attorney Maddox-Rucker Banking Co., Atlanta.
M. B. Lane, Pres. Citizens' Bank, Savannah.
Robert J. Lowry, Pres. Lowry Nat. Bank, Atlanta.
W. F. Maury, Cas. Neal Loan & Banking Co., Atlanta.
John K. Ottley, Cas. Fourth Nat. Bank, Atlanta.
C. C. Sanders, Pres. State Banking Co., Gainesville.
E. D. Walter, Cas. Nat. Bank of Brunswick, Brunswick.
T. M. Matthews, Cas. Farmers & Merchants' Bank, Thomaston.
J. R. Huff, Asst. Cas. Fourth Nat. Bank, Columbus.

ILLINOIS.

John A. Ayers, Pres. Ayers Nat. Bank, Jacksonville.
D. B. M. Brown, Dir. Hamilton & Cunningham, Hoopeston.
J L. Burkhalter, Pres. Farmers & Mechanics' Bank, Galesburg.
F. F. Blossom, Cas. Central Nat. Bank, Peoria.
Ira D. Buck, Vice-Pres. First Nat. Bank, Chillicothe.
Nelson L. Barnes, Mgr. Tracy & Co., Chicago.
C. A. Brown, Exchange Bank, Genoa.
E. N. Berbecker, Pres. Arlington Heights State Bank, Arington Heights.
R. L. Crampton, Asst. Cas. Nat. Bank Republic, Chicago.
Thomas B. Catlin, Pres. Nat. City Bank, Ottawa.
W. T. Cunningham, Pres. Commercial Trust & Sav. Bank, Danville.
C. S. Castle, Cas. Federal Trust & Sav. Bank, Chicago.
E. Crabtree, Cas. F. G. Farrell & Co., Jacksonville.
John C. Craft, Cas. Bankers' Nat. Bank, Chicago.
E. A. Cole, Cas. Commercial Nat. Bank, Peoria.
R. H. Campbell, Cas. Carroll Co. Bank, Mt. Carroll.
R. H. Campbell, Pres. First Nat. Bank, Chadwick.
H. A. Clark, Asst. Cas. First Nat. Bank, Princeton.
Andrew W. Cross, Pres. Nat. Bank of Jerseyville, Jerseyville.
Chas. G. Dawes, Pres. Central Trust Co. of Illinois, Chicago.
John W. Edminson, N. W. Harris & Co., Chicago.
J. C. Eisenmayer, Cas. Eisenmayer Bank, Lebanon.
J. L. Flinn, Vice-Pres. Commercial Nat. Bank, Peoria.
W. T. Fenton, Vice-Pres. Nat. Bank of the Republic, Chicago.

John Farson, Farson, Leach & Co., Chicago.
B. H. Ferguson, Pres. Springfield Marine Bank, Springfield.
Nelson H. Green, Mgr. Green & Green, Tallula.
Peter G. Grout, Continental Nat. Bank, Chicago.
O. B. Gorin, Vice-Pres. Millikin Nat. Bank. Decatur.
G. P. Hoover, Cas. N. W. Harris & Co., Chicago.
C. H. Herbert, Cas. W. T. Rickards & Co., Chicago.
J. H. Hungate, Pres. Hungate, Ward & Co., La Harpe.
Jno. L. Hamilton, Vice-Pres. Hamilton & Cunningham, Hoopeston.
W. G. Hoag, Cas. State Bank, Evanston.
H. A. Hammond, Scott, Wrigley & Hammond, Wyoming.
David J. Harris, Cas. Pullman Loan & Sav. Bank, Pullman.
F. J. Henry, Cas. Farmers & Merchants' Bank, Vandalia.
E. W. Hight, Cas. Illinois State Bank, Assumption.
B. R. Hieronymus, Cas. Illinois Nat. Bank, Springfield.
W. C. Hadley, Pres. State Bank, Collinsville.
H. H. Harris, Cas. First Nat. Bank, Champaign.
Frank H. Jones, Sec. American Trust & Sav. Bank, Chicago.
C. J. Johnson, Pres. Bank of Donovan, Donovan.
W. Kasper, Pres. Kasper & Karel, Chicago.
Richard W. Kempshall, Vice-Pres. Central Nat. Bank, Peoria.
Ira O. Karraker, Cas. Bank of Jonesboro, Jonesboro.
Fred W. Keller, Cas. First Nat. Bank, Lawrenceville.
Isaac G. Lombard, Dir. Corn Ex. Nat. Bank, Chicago.
Geo. H. Littlewood, Cas. Merchants' Nat. Bank, Peoria.
Geo. A. Lewis, Mason, Lewis & Co., Chicago and Boston.
Edwin L. Lobdell, Edwin L. Lobdell & Co., Chicago.
A. G. Lester, Gramger, Farwell & Co., Chicago.
H. C. Legris, Cas. First Nat. Bank, Kankakee.
H. L. Lanphaix, Hyde Park Bank, Chicago.
W. K. Murphy, Mgr. Murphy, Wall & Co., Pinckneyville.
James McKinney, Pres. Aledo Bank, Aledo.
Henry P. Magill, H. P. Magill & Co., Chicago.
T. S. O. McDowell, Pres. First Nat. Bank, Fairbury.
S. B. Montgomery, Vice-Pres. State Sav., Loan & Trust Co., Quincy.
A. A. Mackey, Asst. Cas. Farmers' Bank, Woodhull.
David McGill, Pres. First Nat. Bank, Watseka.
G. W. McCabe, Cas. Commercial Nat. Bank, Chatsworth.
V. E. Nichols, Cas. First Nat. Bank of Englewood, Chicago.
Frank G. Nelson, Merchants' Loan & Trust Co., Chicago.
John C. Neeley, Second Vice-Pres. Corn Ex. Nat. Bank, Chicago.
Geo. F. Orde, Cas. Northern Trust Co. Bank, Chicago.
Ed. J. Parker, Cas. State Savings Loan & Trust Co., Quincy.
A. A. Pickrell, Asst. Cas. Buffalo Bank, Buffalo.
John F. Quigg, Cas. Minier Bank, Minier.
Geo. M. Reynolds, Vice-Pres. Continental Nat. Bank, Chicago.
G. A. Randolph, Cas. Bank of Warrensburg, Warrensburg.
G. A. Ryther, Cas. National Live Stock Bank, Chicago.
Andrew Russel, Dunlap, Russel & Co., Jacksonville.
C. D. Rounds, Pres. State Bank, West Pullman.
John C. Van Riper, Vice-Pres. First Nat. Bank, E. St. Louis.
Louis P. Scoville, Vice-Pres. Ravenswood Bank, Chicago.
W. E. Stone, Cas. First Nat. Bank. Peoria.
N. C. Simmons, Pres. Merchants' Nat. Bank, Aurora.
T. Saxenmeyer, Cas. Red Bud Trust Co., Red Bud.
Wm. Sonneman, Vice-Pres. Farmers & Merchants' Bank, Vandalia.
Wm. A. Tilden, Cas. Drovers' Nat. Bank, Chicago.
Frank W. Tracy, Pres. First Nat. Bank, Springfield.
Owen Taft, Pearsons-Taft Land Credit Co., Chicago.
Lucius Teter, Cas. Chicago Savings Bank, Chicago.
C. E. Wilson, Pres. Mattoon Nat. Bank, Mattoon.
J. D. Waterman, Pres. Forest City Nat. Bank, Rockford.
Wm. Worsham, Cas. First Nat. Bank of Englewood, Chicago.
L. A. Walton, Vice-Pres. Equitable Trust Co., Chicago.
Kate Wilson, Asst. Cas. Centennial Nat. Bank, Virginia.
R. E. Wilson, R. Kleybolte & Co., Chicago.
A. E. Ziehne, Pres. Ravenswood Exchange Bank, Chicago.

INDIANA.

J. M. Andrews, Pres. Second Nat. Bank, New Albany.
Walter A. Allman, Cas. Commercial Bank, Crown Point.
Jesse V. Bright, Cas. Bank of Flora, Flora.
D. Becker, American Nat. Bank, Indianapolis.
W. M. Barker, Pres. People's Bank, Boonville.
R. E. Craig, Vice-Pres. New Albany Nat. Bank, New Albany.
Alonzo B. Clark, Capital Nat. Bank, Indianapolis.
Mord Carter, Pres. First Nat. Bank, Danville.
Henry Eitel, Vice-Pres. Union Trust Co., Indianapolis.
Wm. M. Ford, Pres. Mt. Vernon Banking Co., Mt. Vernon.
Chas. L. Farrell, Asst. Cas. Capital Nat. Bank, Indianapolis.
W. F. C. Golt, Cas. Columbia Nat. Bank, Indianapolis.
W. H. Gardner, Cas. Farmers' Nat. Bank, Valparaiso.
Jos. S. De Hority, Pres. First Nat. Bank, Elwood.
Walter W. Bonner, Cas. Third Nat. Bank, Greensburg.
C. H. Church, Cas. Delaware Co. Nat. Bank, Muncie.
W. B. Dickey, American Nat. Bank, Indianapolis.
Preston Hussey, Pres. Nat. State Bank, Terre Haute.

W. F. Hadley, Cas. Farmers' Bank, Mooresville.
Geo. A. Henrich, Farmers' Deposit Co., Montpelier.
W. G. Irwin, Cas. Irwin Bank, Columbus.
Jacob P. Islin, Pres. Bank of Attica, Attica.
A. M. Jacobs, Cas. Noble County Bank, Kendallville.
Preston T. Kelsey, Vice-Pres. Union Trust Co., Indianapolis.
A. G. Lupton, Cas. Blackford County Bank, Hartford City.
Abraham Lewrin, Dir. First Nat. Bank, Lafayette.
C. T. Lindsey, Cas. Citizens' Nat. Bank, South Bend.
Ed. L. McKee. Vice-Pres. Indianapolis Nat. Bank, Indianapolis.
W. W. McCleery, Cas. First Nat. Bank, Marion.
J. F. McCulloch, Pres. New Albany Nat. Bank, New Albany.
Horace P. Owens, Pres. New Harmony Banking Co., New Harmony.
Henry C. Paul. Vice-Pres. Old Nat. Bank. Fort Wayne.
W. A. Patterson, Pres. Akron Exchange Bank, Akron.
Jno. Perrin, Pres. American Nat. Bank, Indianapolis.
E. B. Reynolds, Vice-Pres. First Nat. Bank, South Bend.
J. J. Reinboldt, Cas. Laurel Bank, Laurel.
W. L. Swormstedt, Cas. Citizens' Bank, Evansville.
A. C. Silverburg. Dir. Union Nat. Bank, Muncie.
Theo. Stempfel. Asst. Cas. American Nat. Bank, Indianapolis.
David E. Snyder, Pres. Plymouth State Bank, Plymouth.
R. W. Sample, Pres. First Nat. Bank, Lafayette.
D. Van Buskirk, Pres. Exchange Bank, Roann.
John H. Wood, Pres. First Nat. Bank, Matthews.
Jacob Woolverton, Vice-Pres., St. Joseph Co. Sav. Bank. South Bend.
W. G. Windle, Vice-Pres. Farmers' Nat. Bank, Valparaiso.
W. F. Morris, Asst. Cas. Pendleton Bkg. Co. Pendleton.

INDIAN TERRITORY.

Eugene D. Nims, Pres. First Nat. Bank, Roff.

IOWA.

J. W. Bowdish, Cas. Citizens' Nat. Bank, Cedar Rapids.
J. H. Blair, Dir. Iowa Loan & Trust Co., Des Moines.
J. A. Bradley, Cas. First Nat. Bank, Centerville.
A. M. Dederer, Des Moines.
J. L. Edwards, Cas. Merchants' Nat. Bank, Burlington.
G. D. Ellyson, Cas. Marquardt Sav. Bank, Des Moines.
T. K. Elliott, Cas. Commercial Nat. Bank, Essex.
T. J. Fletcher, Cas. First Nat. Bank, Marshalltown.
F. P. Flynn, Asst. Cas. People's Savings Bank, Des Moines.
J. T. Hamilton. Pres. Merchants' Nat. Bank. Cedar Rapids.
Fred Heinz. Pres. Farmers & Mechanics' Sav. Bank, Davenport.
E. L. Johnson, Vice-Pres. Leavitt & Johnson Trust Co., Waterloo.

C. M. Keck, Vice-Pres. Citizens' Nat. Bank, Washington.
John J. Large, Cas. First Nat. Bank, Rock Valley.
G. E. McKinnon, Asst. Cas. Central State Bank, Des Moines.
C. B. Mills, Cas. People's Tr. & Sav. Bank, Clinton.
D. H. McKee, Cas. Citizens' State Bank, Mediapolis.
W. P. Manley, Pres. Security Nat. Bank, Sioux City.
L. F. Potter, Pres. First Nat. Bank, Harlan.
Arthur Reynolds, Pres. Des Moines Nat. Bank, Des Moines.
F. B. Shafer, Cas. Frankel State Bank, Oskaloosa.
H. N. Silliman, Cas. State Bank of Cedar Falls, Cedar Falls.
Ralph Van Vechten, Cas. Cedar Rapids Nat. Bank. Cedar Rapids.
E. S. Van Gorder, Asst. Cas. First Nat. Bank, Audubon.
C. E. Lofland, Cas. Oskaloosa Nat. Bank, Oskaloosa.

KANSAS.

J. D. Allen, Cas. Wilson Co. Bank, Fredonia.
Eben Bolenoni. Dir. Merchants' Nat. Bank, Lawrence.
J. W. Breidenthal, Vice-Pres. Banking & Trust Co., Kansas City.
J. R. Burrows, Pres. First Nat. Bank, Smith Center.
F. W. Cooter, Cas. State Exchange Bank, Hutchinson.
Hugh S. Cooper, Cas. Farmers & Merchants' Bank, Scandia.
F. C. Cochran, Cas. Citizens' Bank, Plainville.
A. Dobson. Bank of Ottawa. Ottawa.
Wm. C. Henrici, Cas. Interstate Trust Co., Kansas City.
Scott Hopkins, Pres. First Nat. Bank, Horton.
T. A. Hornaday, Cas. First Nat. Bank, Fort Scott.
F. S. Hall. Pres. Baxter Nat. Bank, Baxter Springs.
V. E. Johnson, Pres. State Bank, Randolph.
O. B. Looney, Pres. Claflin State Bank, Claflin.
J. R. Mulvane, Bank of Topeka, Topeka.
J. F. Marcell, Cas. Bank of Highland, Highland.
W. C. Mitchell, Sec. Deming Inv. Co., Oswego.
W. F. March, Cas. Merchants' Nat. Bank. Lawrence.
J. W. Marley, Cas. Oswego State Bank. Oswego.
J. N. McDonald, Pres. First Nat. Bank, Chanute.
C. B. McDonald, Cas. Citizens' Bank, Fort Scott.
L. S. Naftzger, Pres. Fourth Nat. Bank, Wichita.
E. B. Stevens, Vice-Pres. and Cas. First Nat. Bank, Parsons.
Chas. M. Sawyer, Pres. First Nat. Bank, Norton.
Samuel L. Smith, Asst. Cas. First Nat. Bank, Anthony.
O. T. Street, Cas. State Bank, Galena.

KENTUCKY.

Jno. W. Barr, Jr., Vice-Pres. Fidelity Trust Co., Louisville.
E. C. Bohne. Cas. Third Nat. Bank, Louisville.
C. J. Edmonds. Asst. Cas. Citizens' Nat. Bank, Lebanon.

C. B. Elliott, Teller First Nat. Bank, Owensboro.
James S. Escott, Pres. Southern Nat. Bank, Louisville.
Oscar Finley, Pres. Nat. Bank of Ky., Louisville.
J. H. Gibson, Cas. First Nat. Bank, Somerset.
G. W. Lewman, Pres. First Nat. Bank, Louisville.
S. N. Leonard, Pres. Farmers' Bank, Eddyville.
Henry L. Martin, Pres. Citizens' Bank, Midway.
Logan C. Murray, Pres. American Nat. Bank, Louisville.
W. C. Montgomery, Cas. Hardin Nat. Bank, Elizabethtown.
E. S. Monahan, Dir. Citizens' Nat. Bank, Louisville.
John B. McFerran, Dir. Fidelity Trust Co., Louisville.
M. D. Offut, Dir. Citizens' Bank, Midway.
J. D. Powers, Pres. First Nat. Bank, Owensboro.
J. W. Potter, Pres. Potter, Matlock & Co., Bowling Green.
H. C. Rodes, Asst. Cas. Citizens' Nat. Bank, Louisville.
Geo. C. Thompson, Pres. American-German Nat. Bank, Paducah.
Owen D. Thomas, Asst. Cas. Marion Nat. Bank, Lebanon.
Henry C. Walbeck, Cas. German Ins. Bank, Louisville.
Isham Bridges, Manager Louisville Clearing-House, Louisville.
T. P. Giebel, Asst. Cas. Ohio Valley Bkg. & Tr. Co., Anderson.

LOUISIANA.

Wm. Adler, Pres. State National Bank, New Orleans.
G. W. Bolton, Pres. Rapides Bank, Alexandria.
L. O. Broussard, Cas. Bank of Abbeville, Abbeville.
E. F. Buhler, Pres. Teutonia Bank, New Orleans.
L. Bouanchaud, Cas. Bank of New Roads, New Roads.
G. Ad. Claffer, Cas. Germania S. & Trust Co., New Orleans.
James L. Barker, Dir. Bank of Plaquemine, Plaquemine.
J. J. Booles, Pres. Ruston State Bank, Ruston.
D. A. Breard, Jr., Pres. Ouachita Nat. Bank, Monroe.
Geo. A. Courtney, Cas. First Nat. Bank, Jennings.
Leon M. Carter, Pres. Merchants & Farmers' Bank, Shreveport.
C. H. Culbertson, Vice-Pres. State Nat. Bank, New Orleans.
Leigh Carroll, Pres. Algiers Sav. Bank, New Orleans.
J. F. Couret, Cas. Louisiana Nat. Bank, New Orleans.
C. E. A. Dowler, Cas. Commercial Nat. Bank, New Orleans.
Wm. Drews, Jr., Cas. Bank of Morgan City, Morgan City.
Geo. S. Gardiner, Dir. Interstate Tr. & Bkg. Co., New Orleans.
James Dinkins, Asst. Cas. Bank of Algiers, New Orleans.
E. B. Dubisson, Washington State Bank, Washington.
W. W. Duson, Dir. First Nat. Bank, Crowley.
W. P. Dillon, Vice-Pres. First Nat. Bank, Shreveport.
J. E. Dunlap, Pres. People's Bank, Plaquemine.
C. J. Ellis, Pres. Richland State Bank, Rayville.
W. E. Ellis, Cas. Crowley State Bank, Crowley.
Jos. L. Fischer, First Nat. Bank, Lake Providence.
H. H. Forrester, Cas. Bank of Clinton, Clinton.
W. A. Guillemet, Cas. Lake Charles Nat. Bank, Lake Charles.
A. J. Golden, Cas. First Nat. Bank, Abbeville.
Joe Gottlieb, Pres. Louisiana State Bank, Baton Rouge.
J. T. Hayden, Pres. Whitney Nat. Bank, New Orleans.
L. M. Howard, Pres. Bank of Coushatta, Coushatta.
Samuel Haas, Dir. Merchants & Planters' Bank, Bunkie.
W. D. Haas, Pres. Merchants & Planters' Bank, Bunkie.
J. H. Ingwersen, Vice-Pres. Interstate Trust & Banking Co., New Orleans.
W. B. Jacobs, Pres. First Nat. Bank, Shreveport.
R. J. Kennedy, Asst. Cas. Interstate Trust & Banking Co., New Orleans.
A. T. Kohn, Pres. Shreveport Nat. Bank, Shreveport.
F. J. Kinney, Vice-Pres. Hibernia Bank & Trust Co., New Orleans.
Wm. J. Knox, Pres. Bank of Baton Rouge, Baton Rouge.
Paul Lisso, Pres. First Nat. Bank, Alexandria.
J. E. Le Blanc, Pres. Bank of Napoleonville, Napoleonville.
R. Lillie, Cas. Hammond State Bank, Hammond.
W. R. Lyman, Pres. Lincoln Parish Bank, Ruston.
W. E. Lawson, Cas. Bank of Acadia, Crowley.
P. L. Lawrence, Cas. First Nat. Bank, Crowley.
F. M. Lichtenstein, Vice-Pres. Commercial Nat. Bank, New Orleans.
H. Flood Madison, Pres. Bastrop State Bank, Bastrop.
B. W. Morrison, Vice-Pres. Hammond State Bank, Hammond.
J. R. Matthews, Cas. Bank of West Feliciana, St. Francisville.
R. H. Miller, Cas. Bank of Minden, Minden.
J. McWilliams, Vice-Pres. People's Bank, Plaquemine.
C. A. Morgan, Third Vice-Pres. State Nat. Bank, New Orleans.
A. L. Monnot, Pres. Bank of Jeanerette, Jeanerette.
W. M. McGalliard, Pres. Bank of Donaldson, Donaldson.
C. A. McGowen, Pres. Citizens' Bank, Jeanerette.
Frank G. Neelis, Pres. Bank of Hammond, Hammond.
S. B. McCutchen, Pres. Citizens' Nat. Bank, Shreveport.
Hart D. Newman, Isidore Newman & Sons, New Orleans.
John G. Neelis, Cas. Bank of Gueydan, Gueydan.
G. W. Nott, Pres. Citizens' Bank, New Orleans.
N. E. North, Cas. First Nat. Bank, Lake Charles.
J. M. Pagaud, Cas. Whitney Nat. Bank, New Orleans.
H. S. Palfrey, Cas. First Nat. Bank, Franklin.
P. G. Pye, Cas. Bank of Leesville, Leesville.
W. D. Park, Cas. Bank of Donaldsonville, Donaldsonville.

C. T. Patterson, Teutonia Bank, New Orleans.
T. R. Roach, Cas. Avoyelles Bank, Marksville.
Wallace B. Rogers, Interstate Trust & Banking Co., New Orleans.
A. G. Ricks, Pres. Metropolitan Bank, New Orleans.
Frank Roberts, Cas. Calcasieu Nat. Bank, Lake Charles.
D. M. Raymond, Pres. First Nat. Bank, Baton Rouge.
Jos. E. Ransdell, First Nat. Bank, Lake Providence.
Hillyer Rolston, Asst. Cas. State Nat. Bank, New Orleans.
F. N. Ricks, Cas. Bank of Coushatta, Coushatta.
W. E. Satterfield, Cas. People's Nat. Bank, New Iberia.
C. P. Shaver, Cas. Bank of Thibodaux, Thibodaux.
L. Sexton, Dir. Interstate Trust & Banking Co., New Orleans.
W. Mason Smith, Pres. Commercial Nat. Bank, New Orleans.
O. B. Steele, Vice-Pres. Bank of Baton Rouge, Baton Rouge.
R. N. Sims, Vice-Pres. People's Bank, Donaldsonville.
Edward Toby, Vice-Pres. Canal Bank, New Orleans.
L. M. Tully, Cas. Bank of Plaquemine, Plaquemine.
S. A. Trufant, Cas. Citizens' Bank of La., New Orleans.
Bertram Weil, Vice-Pres. Rapides Bank, Alexandria.
Leon Wolff, Pres. Washington State Bank, Washington.
R. M. Walmsley, Pres. Louisiana Nat. Bank, New Orleans.
S. P. Walmsley, Vice-Pres. Louisiana Nat. Bank, New Orleans.
Boling Williams, Mansfield.
Sam Wolff, Vice-Pres. Bastrop State Bank, Bastrop.
Henry M. Young, Trust Officer, Interstate Tr. & Bkg. Co., New Orleans.
H. H. Youree, Vice-Pres. Commercial Nat. Bank, Shreveport.

MAINE.

Chas. G. Allen, Cas. Portland Nat. Bank, Portland.
Harry Butler, Treas. Portland Trust Co., Portland.

MARYLAND.

D. Annan, Cas. Second Nat. Bank, Cumberland.
Fred G. Boyce, Jr., Townsend Scott & Son, Baltimore.
Nathan H. Baile, Cas. First Nat. Bank, New Windsor.
M. V. Bennington, Dir. Farmers & Merchants' Bank, Salisbury.
James Clark, Pres. Drovers & Mechanics' Nat. Bank, Baltimore.
W. J. Chapman, Dir. Maryland Nat. Bank, Baltimore.
R. H. Edmonds, Ex. Com. International Trust Co., Baltimore.
James R. Edmund, Cas. Nat. Bank of Commerce, Baltimore.
Albert D. Graham, Asst. Cas. Citizens' Nat. Bank, Baltimore.
Samuel A. Graham, Cas. Farmers & Merchants' Bank, Salisbury.
Wm. Ingle, Cas. Merchants' Nat. Bank, Baltimore.
R. Vinton Lansdale, Cas. National Exchange Bank, Baltimore.
J. W. Middendorf, J. W. Middendorf tional Trust Co., Baltimore.
Wm. Marriott, Cas. Western Nat. Bank, Baltimore.
J. W. Middendorf, J. W. Middendorf & Co., Baltimore.
H. A. Nesbitt, Vice-Pres. Cecil Nat. Bank, Port Deposit.
C. S. Nesbitt, Cas. Nat. Bank of Elkton, Elkton.
F. R. Pemberton, Dir. Balto, Trust & Guar. Co., Baltimore.
David Sloan, Pres. Lonaconing Sav. Bank, Lonaconing.
Wm. Spillman, Asst. Treas. German Savings Bank, Baltimore.
R. K. Vanneman, Cas. First Nat. Bank, Havre de Grace.
H. B. Wilcox, Cas. First Nat. Bank, Baltimore.

MASSACHUSETTS.

E. Hayward Ferry, Vice-Pres. Nat. Shawmut Bank, Boston.
A. T. Collier, Vice-Pres. Nat. Shawmut Bank, Boston.
A. M. Gleason, Vice-Pres. & Tr. Taunton S. D. & Tr. Co., Taunton.
Ed. P. Hatch, Pres. First Nat. Bank, West Newton.
Wm. F. Hills, Vice-Pres. Traders' Nat. Bank, Lowell.
Herbert A. Rhoades, Cas. People's Nat. Bank, Roxbury, Boston.
C. A. Ruggles, Mgr. Boston Clearing-House, Boston.

MICHIGAN.

G. W. Burhons, Asst. Cas. Maynard & Allen, Portland.
A. D. Bennett, Pres. Commercial Bank, Port Huron.
G. H. Barbour, Dir. People's Sav. Bank, Detroit.
Geo. O. Begg, Dir. Genesee Co. Sav. Bank, Flint.
E. N. Breitung, Vice-Pres. Marquette Co. Sav. Bank, Marquette.
James R. Clark, Pres. Bank of Belleville, Belleville.
Claude Hamilton, Asst. Sec. Michigan Trust Co., Grand Rapids.
Hamilton Dey, Cas. American Ex. Nat. Bank, Detroit.
M. Davison, Cas. Union Trust & Sav. Bank, Flint.
Frank Filer, Dir. Marine Sav. Bank, Detroit.
Fred E. Farnsworth, Cas. Union Nat. Bank, Detroit.
S. P. Gibbs, Pres. Lumbermen's Nat. Bank, Menominee.
D. S. Goodyear, Dir. Hastings City Bank, Hastings City.
F. V. C. Hart, Cas. Lenawee Co. Sav. Bank, Adrian.
Clay H. Hollister, Asst. Cas. Old Nat. Bank, Grand Rapids.
Walter J. Hayes, Cameron, Currie & Co., Detroit.
Julius H. Haass, Cas. Home Savings Bank, Detroit.
R. Kempf, Pres. Farmers & Mechanics' Bank, Ann Arbor.
W. Livingston, Pres. Dime Sav. Bank, Detroit.
James Martin, Asst. Cas. Genesee Co. Savings Bank, Flint.
Chester Messer, Pres. Hastings City Bank, Hastings City.
Herbert W. Noble, Noble, Moss & Co., Detroit.
M. W. O'Brien, Pres. People's Sav. Bank, Detroit.
Hoyt Post, Dir. Michigan Savings Bank, Detroit.
M. O. Robinson, Cas. Commercial Nat. Bank, Saginaw.
Geo. H. Russel, Pres. State Sav. Bank, Detroit.

W. E. Reilly, Cas. Marine Sav. Bank, Detroit.
S. W. Sherman, Cas. Fifth Nat. Bank, Grand Rapids.
John F. Seeley, Pres. Tuscola County Bank, Caro.
J. D. Standish, Dir. Commercial Nat. Bank, Detroit.
Duncan Stewart, Jr., Asst. Cas. Detroit Nat. Bank, Detroit.
Geo. A. Skinner, Cas. Mt. Clemens Sav. Bank, Mt. Clemens.
J. M. C. Smith, Pres. First Nat. Bank, Charlotte.
Flint P. Smith, Dir. Union Tr. & Sav. Bank, Flint.
S. W. Shoull, E. N. Breitung & Co., Marquette.
Frank F. Tillotson, Cas. Citizens' Sav. Bank, Detroit.
W. R. Takken, Cas. Fruit Growers' Bank, Saugatuck.
P. J. Ullrich, Cas. Ullrich Sav. Bank, Mt. Clemens.
M. L. Williams, Pres. Commercial Nat. Bank, Detroit.
W. W. Warner, Asst. Sec. Michigan Bankers' Assn., Detroit.
C. C. Wakefield, Pres. Wakefield State Bank, Morenci.
Austin E. Wing, Asst. Cas. State Savings Bank, Detroit.
J. F. Brynton, Treas. People's Sav. Bank, Saginaw.
John A. Webber, Pres. John A. Webber & Son, Portland.

MINNESOTA.

A. C. Anderson, Cas. St. Paul Nat. Bank, St. Paul.
L. L. Bennett, Pres. Nat. Farmers' Bank, Owatonna.
J. W. Booth, Cas. First Nat. Bank, Winona.
Kenneth Clark, Pres. Merchants' Nat. Bank, St. Paul.
A. A. Crane, Cas. Nat. Bank of Commerce, Minneapolis.
J. C. Hunter, Cas. American Exchange Bank, Duluth.
John R. Mitchell, Winona Deposit Bank, Winona.
S. L. Prentiss, Vice-Pres. Second Nat. Bank, Winona.
Geo. Pease, Cas. Citizens' Nat. Bank, Faribault.
Chas. C. Fower, Pres. Second Nat. Bank, St. Paul.
J. W. Wheeler, Cas. First Nat. Bank, Crookston.

MISSISSIPPI.

Woodson Atkinson, Asst. Cas. People's Bank, Summit.
A. B. Austin, Cas. People's Bank, Biloxi.
Geo. Bacon, Cas. Bank of Laurel, Laurel.
C. H. Bates, Pres. Bank of Osyka, Osyka.
R. L. Bennett, Pres. First Nat. Bank, Yazoo City.
S. R. Berry, Pres. Commercial State Bank, Yazoo City.
C. S. Butterfield, Dir. Bank of Brookhaven, Brookhaven.
F. F. Becker, Cas. Commercial Bank, Brookhaven.
Sam. S. Carter, Pres. First Nat. Bank, Jackson.
Warren M. Cox, Asst. Cas. Merchants & Farmers' Bank, Columbus.
E. W. Chilton, Cas. Farmers' Bank, Boonville.
W. R. Caston, Cas. City Bank, McComb City.
J. P. Carter, Pres. Nat. Bank of Commerce, Hattiesburg.
S. Cohn, Asst. Cas. People's Bank, Magnolia.
A. G. Campbell, Pres. First Natchez Bank, Natchez.
John S. Elliott, Pres. Farmers' Bank, Boonville.
W. H. Ellsworth, Cas. Merchants & Manufacturers' Bank, Ellisville.
I. N. Ellis, Cas. Merchants & Planters' Bank, Hazlehurst.
W. J. Ferguson, Pres. Bank of Utica, Utica.
F. W. Foote, Cas. Nat. Bank of Commerce, Hattiesburg.
B. W. Griffith, Pres. First Nat. Bank, Vicksburg.
F. P. Gary, Dir. Bank of Commerce, Gulfport.
John W. Griffis, Grenada Bank, Grenada.
R. R. Hawkins, Pres. Vaiden Bank, Vaiden.
Peter Hellwege, Pres. Hancock Co. Bank, Bay St. Louis.
Wade Haney, Dir. Merchants & Farmers' Bank, Kosciusko.
G. L. Hawkins, Pres. First Nat. Bank, Hattiesburg.
W. S. Jones, Cas. Merchants' Nat. Bank, Vicksburg.
W. E. Kampton, Pres. Columbia Bank, Columbia.
W. A. King, Second Vice-Pres. First Nat. Bank, Gulfport.
S. H. Lowenburg, Pres. Safe Deposit & Trust Co., Natchez.
R. F. Learned, Pres. Britton & Koontz, Natchez.
W. M. Lampton, Pres. Magnolia Bank, Magnolia.
J. S. Love, Cas. First Nat. Bank, Lumberton.
Thomas Mount, Cas. Nat. Bank of Commerce, Natchez.
R. W. Millsap, Pres. Capital State Bank, Jackson.
Edwin McMorries, Pres. First Nat. Bank, Meridian.
Oliver L. Mackay, Vice-Pres. Meridian Nat. Bank, Meridian.
F. C. McGhee, Pres. Southern Bank, Meridian.
O. Newton, Jr., Cas. Bank of Brookhaven, Brookhaven.
J. C. Purnell, Dir. Citizens' Bank, Winona.
W. S. Pettis, Cas. Bank of Ellisville, Ellisville.
W. P. Potts, Pres. Merchants & Farmers' Bank, Kosciusko.
W. J. Portevant, Dir. Hancock Co. Bank, Bay St. Louis.
N. I. Pickens, Cas. Bank of Commerce, Lexington.
E. N. Patton, Cas. Bank of Laurel, Laurel.
James Robertshaw, Pres. Citizens' Bank, Greenville.
C. W. Robinson, Second Vice-Pres. First Nat. Bank, Meridian.
E. H. Roberts, Cas. Hancock Co. Bank, Bay St. Louis.
Phil A. Rush, Pres. Tate County Bank, Senatobia.
Clifton R. Sykes, Cas. First Nat. Bank, Aberdeen.
W. P. Stewart, Dir. First Natchez Bank, Natchez.
J. W. Stewart, Cas. Scranton State Bank, Scranton.
A. T. Sisson, Dir. Citizens' Bank, Winona.
A. F. Thomasson, Cas. First Nat. Bank, Hattiesburg.

J. E. Wolff, Cas. People's Bank, Magnolia.
G. A. Wilson, Pres. Delta Bank, Greenwood.
R. E. Wilburn, Pres. Bank of Lexington, Lexington.
W. M. White, Vice-Pres. Liberty Bank, Liberty.
T. G. Wisner, Dir. Bank of Laurel, Laurel.

MISSOURI.

John B. Arnold, Third Nat. Bank, St. Louis.
Lorenzo E. Anderson, Vice-Pres. Mercantile Trust Co., St. Louis.
Leon J. Albert, Pres. Sturdivant Bank, Cape Girardeau.
Thornton Cooke, Asst. Cas. Fidelity Trust Co., Kansas City.
W. R. Compton, Vice-Pres. State Exchange Bank, Macon.
J. F. Downing, Pres. New England Nat. Bank, Kansas City.
M. T. Davis, Cas. Bank of Aurora, Aurora.
Boyd Duncan, Vice-Pres. Bank of Poplar Bluff, Mo.
B. F. Edwards, Cas. Nat. Bank of Commerce, St. Louis.
G. L. Edwards, Pres. A. G. Edwards & Sons Brokerage Co., St. Louis.
A. J. Enright, Sec. Missouri Valley Trust Co., St. Joseph.
H. A. Forman, Pres. Fourth Nat. Bank, St. Louis.
J. P. Huston, Cas. Wood & Huston Bank, Marshall.
Chas. Hamilton, Sec. & Treas. Lincoln Trust Co., St. Louis.
Geo. E. Hoffman, Cas. Merchants' Nat. Bank, St. Louis.
C. H. Huttig, Pres. Third Nat. Bank, St. Louis.
James P. Hinton, Cas. Bank of Hannibal, Hannibal.
Frank P. Hayes, Pres. F. P. Hayes & Co., St. Louis.
Walker Hill, Pres. American Exchange Bank, St. Louis.
W. C. Harris, Pres. Callaway Bank, Fulton.
C. S. Jobes, Pres. American Nat. Bank, Kansas City.
Breckinridge Jones, Vice-Pres. Miss. Valley Trust Co., St. Louis.
A. W. Lambert, Dir. Germania Trust Co., St. Louis.
G. G. Lacy, Vice-Pres. Tootle-Lemon Nat. Bank, St. Joseph.
James A. Leavitt, Cas. Home Savings Bank, Fulton.
F. E. Marshall, Vice-Pres. Nat. Bank of Commerce, St. Louis.
S. H. Minor, Vice-Pres. Miners & Merchants' Bank, Aurora.
Wm. H. Mason, Solicitor Merchants'-Laclede Nat. Bank, St. Louis.
Stonewall Morris, Cas. G. G. Morris, Newark.
S. R. Nelson, Vice-Pres. Chillicothe Sav. Assn., Chillicothe.
Oscar Wells, Asst. Cas. Wells Banking Co., Platte City.
F. J. Wade, Pres. Mercantile Trust Co., St. Louis.
J. A. Cragin, Cas. First Nat. Bank, Joplin.
J. A. Chase, Cas. Mountain Grove Bank, Mountain Grove.
H. B. McDaniel, Pres. Union Nat. Bank, Springfield.
Fernando P. Neal, Vice-Pres. Union Nat. Bank, Kansas City.
W. H. Owen, Pres. Bank of Lebanon, Lebanon.
R. B. Price, Pres. Boone Co. Nat. Bank, Columbia.
W. H. Powell, Cas. Citizens' Nat. Bank, Sedalia.
R. J. Parvin, Mercantile Trust Co., St. Louis.
Chas. Pasche, Pres. Stock Yards Bank, St. Joseph.
Harry M. Rubey, Cas. State Exchange Bank, Macon.
R. M. Ringo, Vice-Pres. Kirksville Sav. Bank, Kirksville.
E. F. Swinney, Pres. First Nat. Bank, Kansas City.
Paul Tyler, Cas. Citizens' Bank, Clinton.
Fred Vierling, Trust Officer Miss. Valley Trust Co., St. Louis.
Wm. A. Wilson, Pres. Webb City Bank, Webb City.
Geo. W. Wilson, Treas. Mercantile Trust Co., St. Louis.

MONTANA.

Geo. K. Ramsay, Cas. Union Banking & Trust Co., Helena.

NEBRASKA.

C. T. Bentley, Cas. First Nat. Bank, Grand Island.
R. O. Morrell, Cas. Merchants' Nat. Bank, Nebraska City.
Fred. W. Rottman, Asst. Cas. Otoe Co. Nat. Bank, Nebraska City.
F. E. Stevens, Cas. Blair State Bank, Blair.
Wm. Stull, Stull Bros., Omaha.
D. C. West, Cas. Nehawka Bank, Nehawka.
C. F. McGrew, Vice-Pres. Omaha Nat. Bank, Omaha.

NEW JERSEY.

S. H. Blackwell, Cas. First Nat. Bank, Princeton.
E. H. Bonnell, Cas. Second Nat. Bank, Orange.
F. W. Egner, Sec.-Treas. Fidelity Trust Co., Newark.
Wm. K. Hurff, Treas. Security Co., Camden.
Francis C. Howell, Cas. Camden Nat. Bank, Camden.
Jos. Lippincott, Treas. Camden S. D. & Trust Co., Camden.
A. S. Leigh, Pres. First Nat. Bank, Princeton.
Chas. M. Howe, Vice-Pres. Passaic Nat. Bank, Passaic.

NEW MEXICO.

H. J. Anderson, Pres. First Nat. Bank, Alamagordo.

NEW HAMPSHIRE.

W. C. Walton, Cas. New Hampshire Nat. Bank, Portsmouth.
Fred H. Ward, Dir. New Hampshire Nat. Bank, Portsmouth.

NEW YORK.

James F. Allen, Western Nat. Bank, New York.
C. B. Bidwell, American Surety Co., New York.
Chas. A. Beattie, Cas. First Nat. Bank, Salem.
E. S. Babcock, Trust Officer Colonial Trust Co., New York.
James M. Bell, Pres. Equitable Nat. Bank, New York.
Alex. D. Cambell, Asst. Cas. Hanover Nat. Bank, New York.
John I. Cole, Asst. Cas. Merchants' Exchange Nat. Bank, New York.

Wm. H. Clark, Teller, First Nat. Bank, Wayland, N. Y.
W. D. Cooper, Farson, Leach & Co., New York.
Raymond J. Chatry, Sec. Trust Co. of America, New York.
John Carraway, Cas. Equitable Nat. Bank, New York.
F. J. Clark, Pres. Nat. Ulster Co. Bank, Kingston.
Henry Chapin, Jr., Cas. Nat. Bank of North America, New York.
E. B. Crissey, Vice-Pres. Farmers & Mechanics' Bank, Jamestown.
James M. Donald, Vice-Pres. Hanover Nat. Bank, New York.
W. L. Douglas, Cas. Garfield Nat. Bank, New York.
L. H. Gothoefer, Cas. Columbia Nat. Bank, Buffalo.
John M. Gesner, Cas. Nyack Nat. Bank, Nyack.
J. N. Gardner, New York.
Geo. D. Hallock, Baring, Magoun & Co., New York.
R. H. Higgins, Harvey Fisk & Sons, New York.
A. M. Holden, Pres. Bank of Honeoye Falls, Honeoye Falls.
Anton G. Hodenpyl, King, Hodenpyl & Co., New York.
Wm. Hanhart, Asst. Comptroller Emigrant Industrial Sav. Bank, New York.
C. H. Imhoff, Harriman & Co., New York.
Claude W. Jester, Nat. Shoe & Leather Bank, New York.
Wm. O. Jones, Asst. Cas. Chase Nat. Bank, New York.
O. M. Jeffords, Seaboard Nat. Bank, New York.
Percival Kuhne, Knauth, Machod & Kuhne, New York.
Wm. T. B. Keyser, Cas. Merchants' Nat. Bank, New York.
Rudolph Kleybolte, Rudolph Kleybolte & Co., New York.
R. W. Levy, Seventh Nat. Bank, New York.
W. C. Le Gendre, Mgr. Brown Bros. & Co., New York.
H. W. Lahey, John P. Hollingshead & Co., New York.
G. Byron Latimer, Sec. Irving Savings Instn., New York.
James V. Lott, Cas. Mercantile Nat. Bank, New York.
Wm. E. McComb, Cas. National Exchange Bank, Lockport.
Alfred J. McGrath, Executive Officer Bank of New York N. B. A.
W. L. Moyer, Pres. Nat. Shoe & Leather Bank, New York.
Stuart G. Nelson, Vice-Pres. Seaboard Nat. Bank, New York.
B. D. Phillips, Cas. Chautauqua Co. Trust Co., Jamestown.
F. R. Pemberton, F. R. Pemberton & Co., New York.
John G. Potter, Pres. Patchogue Bank, Patchogue.
A. C. Phillips, Dominick & Dominick, New York.
Willis S. Paine, Pres. Consolidated Nat. Bank, New York.
C. A. Pugsley, Pres. Westchester Co. Nat. Bank, Peekskill.
Lewis E. Pierson, Vice-Pres. Nat. Exchange Bank, New York.
Herman Russell, Rudolph Kleybolte & Co., New York.
Chas. L. Robinson, Cas. Western Nat. Bank, New York.
Nelson A. Reynolds, Asst. Cas. Nat. Citizens' Bank, New York.
M. S. Sandford, Vice-Pres. & Cas. Geneva Nat. Bank, Geneva.
C. H. Stout, Vice-Pres. First Nat. Bank, New York.
S. D. Scudder, Treas. North American Trust Co., New York.
Albert H. Wiggin, Vice-Pres. Nat. Park Bank, New York.
Chas. H. Sabin, Vice-Pres. Nat. Commercial Bank, Albany.
Philip F. Swart, Cas. First Nat. Bank, Brockport.
James H. Tripp, Pres. First Nat. Bank, Marathon.
J. F. Thompson, Cas. Seaboard Nat. Bank, New York.
H. K. Twitchell, Asst. Cas. Chase Nat. Bank, New York.
Francis J. Underhill, Fisk & Robinson, New York.
M. C. Van Cleef, National Park Bank, New York.
S. T. Woolworth, Cas. Jefferson Co. Nat. Bank, Watertown.
Benjamin W. Wellington, Q. W. Wellington & Co., Corning.
J. R. Van Wagenen, Pres. First Nat. Bank, Oxford.
Chas. E. Warren, Cas. Lincoln Nat. Bank, New York.
G. S. Whitson, Vice-Pres. Nat. City Bank, New York.
Clark Williams, Treas. U. S. Mtge. & Trust Co., New York.
Thomas Young, Pres. Bank of Huntington, Huntington.

NORTH CAROLINA.

Jos. G. Brown, Pres. Citizens' Nat. Bank, Raleigh.
W. E. Borden, Cas. Bank of Wayne, Goldsboro.
John B. Bruton, Pres. First Nat. Bank, Wilson.
F. H. Fries, Pres. Wachovia Loan & Trust Co., Winston.
B. S. Jerman, Cas. Commercial & Farmers' Bank, Raleigh.
John B. Ross, Dir. Merchants & Farmers' Nat. Bank, Charlotte.
Erwin Sluder, Cas. Blue Ridge Nat. Bank, Asheville.

OHIO.

Geo. Adams, Pres. J. & G. Adams, Millersburg.
Geo. H. Bohrer, Pres. German Nat. Bank, Cincinnati.
W. W. Brown, Cas. Merchants' Nat. Bank, Cincinnati.
F. M. Bushnell, Cas. Richland Sav. Bank, Mansfield.
C. C. Baker, Pres. Alliance Banking Co., Alliance.
C. W. Baine, Dir. Federal Trust Co., Cleveland.
F. H. Bourne, Cas. Union Nat. Bank, Cleveland.
Harris Creech, Sec.-Treas. Garfield Sav. Bank, Cleveland.
W. H. Crafts, Crafts, Hine & Co., Mantua.
G. W. Close, Cas. Berlin Heights Banking Co., Berlin Heights.
H. A. Carlton, Asst. Cas. First Nat. Bank, Garrettsville.
Gibson P. Dildine, Teller First Nat. Bank, Barnesville.
E. R. Date, Cas. Nat. City Bank, Cleveland.
Myron E. Dennison, Cas. First Nat. Bank, Youngstown.
M. Evans, Cas. Commercial Nat. Bank, Youngstown.
A. S. Frazier, Cas. Xenia Nat. Bank, Xenia.

Peter R. Fahey, Fahey & Co., Cleveland.
S. D. Fitton, Pres. First Nat. Bank, Hamilton.
Geo. Guckenberger, Pres. Atlas Nat. Bank, Cincinnati.
Henry A. Griffin, Mgr. Indemnity Sav. & Trust Co., Cleveland.
W. B. Gebhart, Cas. National City Bank, Dayton.
W. F. Hoffman, Cas. Commercial Nat. Bank. Columbus.
J. C. F. Hull, Cas. Second Nat. Bank, Bucyrus.
S. B. Harris, Cas. Exchange Bank, Antwerp.
Alfred Holzman, Attorney, Feder-Holzman Co., Cincinnati.
C. E. Heiser, Cas. Second Nat. Bank, Hamilton.
A. Henking, Pres. Ohio Valley Bkg. Co., Gallipolis.
R. P. Hartshorn, Sec. People's Sav. & Bkg. Co., Youngstown.
H. E. Hoskins, Teller First Nat. Bank, Wilmington.
B. Hendrickson, Cas. Medina Co. Nat. Bank, Medina.
A. V. Hageman, Treas. Lorain Sav. & Banking Co., Lorain.
J. F. Harper, Vice-Pres. Colonial Nat. Bank, Cleveland.
H. L. Hine, Vice-Pres. First Nat. Bank, Ravenna.
Kaufman Hays, Vice-Pres. Euclid Ave. Nat. Bank, Cleveland.
S. T. Haserot, Pres. Prudential Trust Co., Cleveland.
J. J. Jennings, Cas. City Deposit Bank, Columbus.
Frank Johnson, Vice-Pres. Peoples & Drovers' Bank, Washington C. H.
Thomas A. Jacobs, Asst. Cas. Mahoning Nat. Bank, Youngstown.
John Jaster, Treas. State Banking & Trust Co., Cleveland.
E. J. Job, Cas. First Nat. Bank, Niles.
J. E. Knisely, Pres. Northern Nat. Bank, Toledo.
N. S. Keith, Sec. & Treas. Cincinnati Trust Co., Cincinnati.
Jos. R. Kraus, Cas. Bankers' Nat. Bank, Cleveland.
Albert Lackman, Vice-Pres. Atlas Nat. Bank, Cincinnati.
E. A. Lewis, Pres. Sabina Bank, Sabina.
W. H. Lamprecht, Lamprecht Bros. & Co., Cleveland.
Chas. R. Mayers, Pres. New First Nat. Bank, Columbus.
Ed. R. McKee, Cas. First Nat. Bank, Chillicothe.
Henry P. McIntosh, Pres. Guardian Trust Co., Cleveland.
E. H. Miller, Pres. Highland Co. Bank, Greenfield.
A. B. Marshall, Cas. Coal & Iron Nat. Bank, Cleveland.
W. G. Mather, Pres. American Trust Co., Cleveland.
Geo. March, Pres. Chagrin Falls Bkg. Co., Chagrin Falls.
M. S. Milburn, Cas. Alliance Bkg. Co., Alliance.
James I. Patterson, Cas. First Nat. Bank, Columbus.
Douglas Perkins, Second Asst. Cas. Cleveland Trust Co., Cleveland.
C. A. Paine, Cas. Central Nat. Bank, Cleveland.
Jacob I. Piper, Sec.-Treas. Dime Sav. Bank, Canton.
Casper H. Rowe, Vice-Pres. Market Nat. Bank, Cincinnati.
S. B. Rankin, Cas. Bank of So. Charleston, So. Charleston.
J. Q. Riddle, Dir. Colonial Nat. Bank, Cleveland.
Geo. Reeves, Dir. Alliance Banking Co., Alliance.
W. Harvey Schmick, Cas. First Nat. Bank, Leetonia.
Geo. W. Sinks, Pres. Deshler Nat. Bank, Columbus.
Frank R. Shinn, Cas. Citizens' Sav. Bank, Columbus.
Ed. R. Sharp, Cas. State Sav. Bank & Trust Co., Columbus.
H. R. Sanborn, Cas. State Nat. Bank, Cleveland.
John M. Sherman, Cas. First Nat. Bank, Fremont.
J. V. Shoemaker, Cas. Holcomb Nat. Bank, Toledo.
J. J. Sullivan, Pres. Central Nat. Bank, Cleveland.
Edgar Stark, Trust Officer Union S. D. & Trust Co., Cincinnati.
Geo. P. Sohngen, Pres. Hamilton Dime Sav. Bank, Hamilton.
W. F. Smith, Vice-Pres. Dollar Savings Bank, Painesville.
S. M. Taggart, Cas. Farmers' Bank, Jeffersonville.
A. A. Taylor, Cas. Guernsey Nat. Bank, Cambridge.
O. H. Tudor, Cas. Ohio Valley Nat. Bank, Cincinnati.
H. B. Peters, Vice-Pres. Fairfield Co. Bank, Lancaster.
F. H. Townsend, Treas. Dime Savings Bank, Cleveland.
A. B. Taylor, Cas. Exchange Bank, Lodi.
Harry E. Weil, Cas. Harry E. Weil & Co., Cincinnati.
M. M. White, Pres. Fourth Nat. Bank, Cincinnati.
J. Warren Wood, Cas. Citizens' Nat. Bank, Lebanon.
F. C. Whiley, Cas. Farmers & Citizens' Bank, Lancaster.
B. J. Williams, Cas. First Nat. Bank, Shelby.
Wm. Wallace, Treas. Warren Savings Bank, Warren.
Chas. J. Wick, Cas. Wick Nat. Bank, Youngstown.
T. H. Wilson, Cas. First Nat. Bank, Cleveland.
M. H. Wilson, Sec. & Treas. Western Reserve Trust Co., Cleveland.
Walter Zinn, Dir. Merchants & Mfrs. Nat. Bank, Columbus.
Henry Deeg, Asst. Cas. Ohio Nat. Bank, Columbus.
Dan. A. Geiger, Cas. Western Reserve Nat. Bank, Warren.

OKLAHOMA.

W. E. Hodges, Cas. First Nat. Bank, Stillwater.
S. W. Keiser, Cas. Stillwater Nat. Bank, Stillwater.
J. W. McNeal, Pres. Guthrie Nat. Bank, Guthrie.
W. S. McGiffert, Pres. Blackwell State Bank, Blackwell.
W. S. Patten, Cas. First Nat. Bank, Edmond.
S. P. Richardson, Cas. Farmers & Merchants' Bank, Hennessey.
Smith Taylor, Citizens' Nat. Bank, El Reno.
J. O. Trask, Cas. Bank of Cherokee, Cherokee.
J. L. Wilkins, Cas. State Nat. Bank, Oklahoma.
J. H. Wheeler, Pres. Bank of Commerce, Oklahoma City.

OREGON.

Benjamin I. Cohen, Pres. Portland Trust Co., Portland.

PENNSYLVANIA.

Herbert Ailes, Cas. First Nat. Bank, Donora.
John P. Agnew, Dir. Farmers' Nat. Bank of Bucks Co., Bristol.
Frank E. Bowman. Asst. Cas. Second Nat. Bank, Pittsburg.
Hartman Baker, Cas. Merchants' Nat. Bank. Philadelphia.
John Barclay, Pres. Barclay Bank, Greensburg.
James G. Binns, Asst. Cas. First Nat. Bank. Donora.
N. N. Betts, Cas. First Nat. Bank, Towanda.
E. R. Baldinger. Sec. & Treas. Dollar Sav. Bank, Allegheny.
Thomas J. Budd, Cas. Third Nat. Bank, Philadelphia.
Wm. P. Billings, Asst. Cas. Second Nat. Bank, Wilkes-Barre.
J. K. Clarke, Asst. Cas. First Nat. Bank, Greensburg.
John T. Crankshaw. Sec. & Treas. Frankford R. E. T. & S. D. Co., Philadelphia.
Chas. L. Calwell, Cas. Corn Exchange Nat. Bank, Philadelphia.
H. L. Childs, Dir. Marine Nat. Bank, Pittsburg.
S. K. Chambers. Pres. Nat. Bank of West Grove, West Grove.
Wm. Campbell, Jr., Pres. Butler Sav. Bank. Butler.
W. Dwight Bell, Asst. Cas. People's Nat. Bank, Pittsburg.
Francis Douglas, Dir. First Nat. Bank, Wilkes-Barre.
G. B. Ensworth, Cas. Warren Savings Bank. Warren.
J. B. Finley, Pres. Fifth Nat. Bank, Pittsburg.
John W. Fowler. Vice-Pres. Lackawanna Tr. & S. D. Co.. Scranton.
Jos. H. Glennon, Trustee Miners' Sav. Bank, Pittston.
John F. Gwinner. Pres. First Nat. Bank, Easton.
H. W. Gleffer. Treas. Union Trust Co., Pittsburg.
S. F. Hauck, Dir. Second Nat. Bank, Mechanicsburg.
Jos. A. Herron, Alexander & Co., Monongahela.
Robert A. Housel, Sec. & Treas. Sav. Instn. of Williamsport. Williamsport.
Edgar S. Hackney, Cas. First Nat. Bank, Uniontown.
C. L. Harpler, Pres. Union Trust Co., Philadelphia
Jos. C. Head, Cas. First Nat. Bank, Latrobe.
Samuel D. Jordan. Asst. Cas. Bank of North America, Philadelphia.
Chas. H. James, Asst. Cas. First Nat. Bank, Philadelphia.
C. M. W. Keck, Cas. Allentown Nat. Bank, Allentown.
J. W. Keltz, Cas. First Nat. Bank, Jeannette.
W. Laycock, Cashier Anthracite Sav. Bank. Wilkes-Barre.
J. A. Linen, Pres. First Nat. Bank, Scranton.
D. McK. Lloyd, Pres. People's Sav. Bank. Pittsburg.
W. C. Lowrie, Treas. Penna. Trust Co., Pittsburg.
E. M. Malpass. Cas. Centennial Nat. Bank, Philadelphia.
James A. Medlar. Treas. Schuylkill Trust Co.. Pottsville.
A W. McEldowney. Asst. Cas. Nat. Bank of Commerce. Pittsburg.
T. W. Marshall. Vice-Pres. Nat. Bank of Chester Co.. Westchester.
W. B. McLean, Asst. Cas. Fourth St. Nat. Bank. Philadelphia.
Ed. McDonald, Pres. First Nat. Bank, McDonald.
James G. McSparran, Dir. Union Trust Co., Lancaster.
J. R. McAllister, Cas. Franklin Nat. Bank, Philadelphia.
Isaac Post, Cas. First Nat. Bank, Scranton.
Wm. H. Peck, Cas. Third Nat. Bank, Scranton.
J M. Painter, Cas. Merchants' Nat. Bank, Kittanning.
James Peters, Pres. First Nat. Bank, Latrobe.
W. H. Painter, Cas. West Branch Nat. Bank, Williamsport.
Ed. J. Reninger, Treas. Lehigh Valley Trust Co., Allentown.
W. W. Ramsey, Cas. German Nat. Bank, Pittsburg.
L. L. Rue, Vice-Pres. & Cas. Philadelphia Nat. Bank, Philadelphia.
John G. Reading, Pres. Susquehanna Trust & S. D. Co., Williamsport.
J. V. Ritts. Vice-Pres. Butler Co. Nat. Bank, Butler.
F. H. Skelding, Cas. First Nat. Bank, Pittsburg.
Isaac Y. Spang, Cas. Reading Nat. Bank, Reading.
H. C. Shafer, Cas. Scranton Savings Bank, Scranton.
Wm. P. Sharpless, Pres. Chester Co. Trust Co., Westchester.
W. H. Trask, Merchants' Nat. Bank, Philadelphia.
C. S. Tyson, Pres. Nat. Bank of Germantown, Philadelphia.
W. E. Van Bonnhorst, Dir. Marine Nat. Bank. Pittsburg.
W. D. Van Horn, Pres. First Nat. Bank, Wellsboro.
C. E. Willock. Treas. Fidelity Title & Trust Co.. Pittsburg.
Geo. F. Wright. Pres. Iron City Nat. Bank, Pittsburg.
Joseph Wayne. Cas. Girard Nat. Bank, Philadelphia.
H. S. Zimmerman, Mellon Nat. Bank, Pittsburg.
Samuel Kunkel. Asst. Cas. Mechanics' Bank. Harrisburg.
Frank M. Wallace, Pres. Second Nat. Bank, Erie.

RHODE ISLAND.

Thomas Boyd, Jr., Cas. Fourth Nat. Bank, Providence.
Wm. A. Gamwell, Asst. Sec. R. I. Hospital Trust Co., Providence.

SOUTH CAROLINA.

Wm. A. Law, Pres. Central Nat. Bank, Spartanburg.
W. J. Roddey. Pres. National Union Bank. Rock Hill.
J. H. Walker, Vice-Pres. Palmetto Bkg. & Tr. Co., Columbia.

SOUTH DAKOTA.

N. L. Finch, Pres. City State Bank, Andover.
L. K. Lord, Pres. First Nat. Bank, Parker.
H. R. Dennis, Cas. Sioux Falls Sav. Bank, Sioux Falls.

TENNESSEE.

C. M. Preston. Cas. So. Chattanooga Sav. Bank. Chattanooga.
C. W. Shulte, Pres. First Nat. Bank, Memphis.
W. A. Sadd. Sec. Chattanooga Sav. Bank. Chattanooga.

J. H. Smith, Sec. & Treas. People's Loan & Trust Co., Memphis.
F. O. Watts, Cas. First Nat. Bank, Nashville.
Thomas Motlow, Cas. Farmers' Bank, Lynchburg.
T. G. Montague, Pres. First Nat. Bank, Chattanooga.
Jas. Nathan, Cas. Manhattan Sav. Bank & Tr. Co., Memphis.
J. A. Omberg, Cas. Nat. Bank of Commerce, Memphis.

TEXAS.

A. L. Williams, Cas. Gulf Nat. Bank, Beaumont.
J. W. Wright, Pres. Citizens' Nat. Bank, Tyler.
Arch Baker, Cas. Farmers & Merchants' Nat. Bank, Crockett.
W. P. Baker, Asst. Cas. A. J. Baker & Co., San Angelo.
G. H. Colvin, Cas. American Nat. Bank, Fort Worth.
T. U. Cole, Cas. First Nat. Bank, Honey Grove.
Edwin Chamberlain, Vice-Pres. Alamo Nat. Bank, San Antonio.
J. L. Cunningham, Cas. Beaumont Nat. Bank, Beaumont.
Fred Fleming, Fleming & Templeton, Corsicana.
E. J. Fry, Vice-Pres. First Nat. Bank, Marshall.
E. J. Gannon, Cas. American Nat. Bank, Dallas.
R. F. Gribble, Cas. First Nat. Bank, Roscoe.
John J. Gannon, Cas. Merchants' Nat. Bank, Houston.
H. P. Hilliard, Cas. Austin Nat. Bank, Austin.
E. J. Holm, Cas. Bank of Higgins, Higgins.
L. L. Jester, Pres. Jester Nat. Bank, Tyler.
T. H. Kempner, Pres. Island City Sav. Bank, Galveston.
A. V. Lane, Cas. Nat. Exchange Bank, Dallas.
M. B. Lloyd, Pres. First Nat. Bank, Fort Worth.
F. M. Mabrey, Asst. Cas. First Nat. Bank, McGregor.
H. F. Moore, Cas. First. Nat. Bank, Crockett.
E. J. Marshall, Vice-Pres. Citizens' Nat. Bank, Beaumont.
W. J. Moore, Cas. Llano Co. Bank, Llano.
J. C. McKinney, Asst. Cas. Planters' Nat. Bank, Honey Grove.
J. E. McAshan, Cas. South Texas Nat. Bank, Houston.
W. H. Rivers, Pres. Bank of Elgin, Elgin.
James P. Roach, Cas. Orange Nat. Bank, Orange.
J. W. Saunders, Cas. First Nat. Bank, Centre.
Geo. B. Taliaferro, Sec. San Antonio Loan & Tr. Co., San Antonio.

VIRGINIA.

J. L. Antrim, Dir. State Bank of Va., Richmond.
Nathaniel Beaman, Pres. Nat. Bank of Commerce, Norfolk.
J. L. Bilisoly, Cas. Bank of Portsmouth, Portsmouth.
John F. Glenn, Cas. Merchants' Nat. Bank, Richmond.
T. W. Goodwin, Sec. & Treas. Century Bkg. & S. D. Co., Roanoke.
Caldwell Hardy, Pres. Norfolk Nat. Bank, Norfolk.
Wm. M. Hill, Cas. State Bank of Va., Richmond.
W. M. Habliston, Pres. Nat. Bank of Va., Richmond.
Homer E. Jones, Pres. Dominion Nat. Bank, Bristol.
Hugh M. Kerr, Cas. Nat. Bank of Commerce, Norfolk.
W. F. Lambert, Cas. Citizens' Nat. Bank, Alexandria.
John M. Miller, Jr., Cas. First Nat. Bank, Richmond.
J. T. Meadows, Asst. Cas. First Nat. Bank, Roanoke.
John S. Williams, Pres. Richmond Tr. & S. D. Co., Richmond.
R. A. Ayers, Interstate Finance & Trust Co., Big Stone Gap.

WASHINGTON.

J. D. Hoge, Jr., Pres. First Nat. Bank, Seattle.
P. C. Kauffman, Second Vice-Pres. Fidelity Trust Co., Tacoma.
M. W. Peterson, Cas. Dexter Horton & Co., Seattle.

WEST VIRGINIA.

H. M. Spence, Dir. City Nat. Bank, Parkersburg.
A. C. Jackson, Vice-Pres. First Nat. Bank, Sistersville.
Robert L. Archer, Cas. W. Va. Sav. Bank & Tr. Co., Huntington.
Glen F. Barns, Teller First Nat. Bank, Fairmont.
James T. Carskadon, Cas. First Nat. Bank, Keyser.

WISCONSIN.

E. V. Benjamin, Vice-Pres. State Bank, Mauston.
Ed. J. Brandt. Bank of Watertown, Watertown.
E. T. Buxton. Pres. Bank of Commerce, West Superior.
Chas. C. Brown, Cas. First Nat. Bank, Kenosha.
F. G. Bigelow, Pres. First Nat. Bank, Milwaukee.
A. W. Barney, Second Vice-Pres. Bank of Sparta, Sparta.
Harry W. Barney, Asst. Cas. Necedah Bank, Necedah.
C. R. Carpenter, Cas. Commercial & Sav. Bank, Racine.
John Campbell, Asst. Cas. Marshall & Ilsley Bank, Milwaukee.
W. K. Coffin, Vice-Pres. & Cas. Eau Claire Nat. Bank, Eau Claire.
E. A. Dow, Pres. State Bank, Plymouth.
Ed. W. Decker, Cas. Citizens' Nat. Bank, Appleton.
H. G. Flieth, Cas. Nat. German-American Bank, Wausau.
A. J. Frame, Pres. Waukesha Nat. Bank, Waukesha.
Geo. L. Field, Pres. First Nat. Bank, Ripon.
Grant Fitch, Cas. Nat. Exchange Bank, Milwaukee.
John M. Holley, Cas. State Bank of La Crosse, La Crosse.
John Johnston, Vice-Pres. Marine Nat. Bank, Milwaukee.
F. Kasten, Second Vice-Pres. Wisconsin Nat. Bank, Milwaukee.
C. F. Latimer, Cas. Northern Nat. Bank, Ashland.
John O. Melby, Pres. John O. Melby & Co., Bank, Whitehall.
John McNaughton, Pres. Commercial Nat. Bank, Appleton.
Charles Schriber, Cas. Nat. Bank of Oshkosh.
W. F. Winchester, Cas. Reedsburg Bank, Reedsburg.

VISITORS.

F. W. Pratt, Washington, D. C.
James M. Graham, Gainesville, Fla.
A. D. Macpherson, Chicago, Ill.
H. E. Houghton, Woodhull, Ill.
Harry Wilkinson and wife, Chicago, Ill.
R. E. Spangler, Chicago, Ill.
Edward B. Quinlin, Evanston, Ill.
Hy. J. Wallingford, Evanston, Ill.
Albert L. Brown, Chicago, Ill.
W. Y. Barnett, Chicago, Ill.
C. W. Humphrey, Chicago, Ill.
Roy M. Noblett, Springfield, Ill.
Charles T. Page, Chicago, Ill.
Alex. Fernold, Hoopeston, Ill.
Chas. C. Adist, Chicago, Ill.
Frank Stewart, Washington, Ia.
R. W. Smith, Washington, Ia.
Geo. G. Hunter, Des Moines, Ia.
I. M. Sproull, Washington, Ia.
L. M. Grimest, Des Moines, Ia.
Peter F. Pescud, New Orleans, La.
Wilson C. Allen, Portland, Me.
Col. J. E. Tate, Baltimore, Md.
Frank P. Knight, Baltimore, Md.
James R. Ewdards, Baltimore, Md.
E. R. Kranish, Detroit, Mich.
E. A. Knight, New York.
Henry D. Baker, Minneapolis, Minn.
Roberts L. Wans, St. Paul, Minn.
Chas. M. Power, St. Paul, Minn.
Ira L. Gaston, Hattiesburg, Miss.
Frank Simpson, Kansas City, Mo.
George E. Ward, St. Louis, Mo.
E. G. Langhorne, St. Louis, Mo.
G. P. Andrews, St. Louis, Mo.
Chester De W. Pugsley, New York, N. Y.
Howard Hooke, New York, N. Y.
Samuel Rodman, New York, N. Y.
Charles A. Morrison, New York, N. Y.
Prince Leopold de Croy, New York, N. Y.
Jas. H. Rand, New York, N. Y.
F. J. Stutesman, New York, N. Y.
Ed. Goodal, New York, N. Y.
F. C. Richardson, New York, N. Y.
Edward L. Allen, New York, N. Y.
Jos. L. Barker, New York, N. Y.
Geo. F. Miller, New York, N. Y.
G. W. Todd, Rochester, N. Y.
Jas. Haningan, New York, N. Y.
Wm. Justus Boies, New York, N. Y.
C. Kult Evans, New York, N. Y.
H. J. Welles, New York, N. Y.
Pliny Bartlet, New York, N. Y.
C. C. Hay, New York, N. Y.
A. J. White, New York, N. Y.
A. O. Kittredge, New York, N. Y.
M. H. Sanford, Buffalo, N. Y.
C. A. Senauer, New York, N. Y.
A. N. Chambers, New York, N. Y.
Anthony Stumpf, New York, N. Y.
M. B. Johnson, Cleveland, O.
Mrs. J. B. Sprankel, Cleveland, O.
Chas. C. Green, Columbus, O.
E. L. C. Lough, Cleveland, O.
H. M. Daugherty, Columbus, O.
Geo. W. Kneeland, Warren, O.
D. A. Geiger, Warren, O.
Paul A. McNeal, Guthrie, O. T.
Paul F. Cooper, Guthrie, O. T.
Edward Norris, Philadelphia, Pa.
E. Umsepass, Philadelphia, Pa.
Nathan Shoemaker, Philadelphia, Pa.
Frank Spieckman, Philadelphia, Pa.
S. H. L. Cooper, Tennessee.
Hyman Harrison, Crockett, Tex.
W. P. Gatling, Lynchburg, Va.

ANDREW CARNEGIE'S INTERNATIONAL BUSINESS LAWS.—To summarize in one paragraph the laws bearing upon the material position of nations, as described, may not be amiss :

(1) The chief nations of the world have greater capacity to supply their own wants than was supposed.

(2) Skilled labor has lost its power to attract capital and raw material, which under favorable conditions now attract capital and labor.

(3) Nations will develop their own resources to the greatest possible extent as a patriotic duty, offering inducements to the enterprising to risk time and capital in the task.

(4) The country with the largest and most profitable home market has an invincible weapon for the conquest of foreign markets, as the "law of surplus" operates in favor of the largest producer in competing for the trade of the world.

(5) As nations are more and more to supply their own wants, home commerce is to increase much more rapidly than foreign commerce.

(6) Nations tend to increase in population according to their capacity to produce cheap food.

The tendency to enlarge areas under one government must continue, otherwise the small nations become mere pygmies industrially and play no part in world-wide affairs.

These laws have already given some proofs of their sway, to which I beg to direct your attention.—*From the World's Work.*

GROWTH OF THE VOLUME OF BANK DEPOSITS.

The bank deposits of the people of the United States aggregate eight and a half billion dollars, an average of $108 per capita. Ten years ago they aggregated $4,232,000,000, or just half the amount of to-day, and twenty years ago they were $2,600,000,000, or a little more than one-quarter of those of to-day.

These figures are presented in a table just prepared by the Treasury Bureau of Statistics. They are compiled from the reports of the Comptroller of the Currency and include the deposits in National banks, Savings banks, State banks, loan and trust companies, and private banks, and cover the official figures of the year 1901. The figures for the various classes of banks stand as follows:

	Total deposits in 1901.
National banks	$2,937,753,233
Savings banks	2,597,094,580
State banks	1,610,502,246
Loan and trust companies	1,271,061,174
Private banks	118,621,903
Aggregate	$8,535,053,136

The figures thus compiled by the Bureau of Statistics show the total deposits in the various banking organizations of the country, so far as they can be obtained, from 1875 down to the present time; though it is proper to add that the figures for private banks include, since 1887, only such banks as voluntarily report to the Comptroller of the Currency, in other words, only about one-fourth of the total number of private banks in the United States; while during the period from 1875 to 1882 the figures cover the deposits in practically all private banks. Taking the figures at intervals from 1878 to 1901, the total deposits in all banking institutions stand as follows:

YEAR.	*Deposits.*	YEAR.	*Deposits.*
1878	$1,878,434,270	1892	$4,630,490,156
1882	2,755,938,053	1897	5,196,847,530
1887	3,255,772,184	1901	8,535,053,136

During recent years the growth has been very rapid. From 1878 to 1882 the increase was $877,508,783; from 1882 to 1887, $499,834,081; from 1887 to 1892, $1,374,718,022; from 1892 to 1897, $566,357,374; and from 1897 to 1901, $3,338,-205,606.

An analysis of the deposit figures of each class of banks is interesting, and in some cases may be carried back over a much longer term of years. The published figures cover the deposits in certain classes of banks at a much earlier date than that covered by the reports upon loan and trust companies and private banks.

The individual deposits in National banks, for example, grew from 500 million dollars in 1865 to 618 millions in 1875; from 1,111 millions in 1885, to 1,720 millions in 1895, and from 2,987 millions in 1901 to 3,111 millions in 1902.

For Savings banks the figures extend back to the year 1820, and show the total deposits in that year at $1,138,576; in 1830, $6,973,304; in 1840, $14,051,520; 1850, $43,431,130; 1860, $149,277,504; 1880, $819,106,973; 1890, $1,524,844,506; and in 1901, $2,597,094,580.

For State banks the figures extend back to 1840, and show for that year total

deposits to the value of $75,693,857; 1850, $109,586,595; 1860, $257,229,562; 1880, $208,751,611; 1890, $553,054,584, and 1901, $1,610,502,246.

For loan and trust companies the figures begin with the year 1875, and show deposits for that year at $85,025,371; in 1880, $90,008,008; 1890, $336,456,492; and 1901, $1,271,081,174.

The figures of deposits in private banks are complete from 1875 to 1882, by reason of the fact that deposits in such banks were taxed during that period and therefore returns were complete; but on the repeal of the law placing a tax on such deposits, only about one-fourth of the total number of private banks continued to make reports to the Comptroller of the Currency. The figures for private bank deposits subsequent to 1887 are therefore materially less than those of the period 1875–82, when complete returns were available. In 1875 the figures were $321,100,000; 1882, $295,622,160; 1890, $99,521,667; and in 1901, $118,621,903.

The following table shows the total deposits in the five classes of banks named—National, Savings, State, private, and loan and trust companies—in each year from 1878 to 1901, except the years 1883–86, for which complete figures are not obtainable:

1873	$1,878,434,270	1889	$3,751,514,133	1896	$4,888,069,116
1879	1,940,701,712	1890	3,998,973,105	1897	5,196,847,530
1880	2,306,966,680	1891	4,232,059,335	1898	5,927,489,998
1881	2,609,518,492	1892	4,630,490,156	1899	6,675,471,743
1882	2,755,938,053	1893	4,586,218,170	1900	7,464,719,145
1887	3,255,772,134	1894	4,638,931,485	1901	8,535,053,136
1888	3,458,266,965	1895	4,872,035,276		

Coinage of the United States.

	1900.		1901.		1902.	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
January	$11,515,000	$2,364,161	$12,657,200	$2,713,000	$7,660,000	$2,908,637
February	13,401,900	1,940,000	9,230,300	2,242,166	6,643,850	2,489,000
March	12,596,240	4,341,376	6,182,152	3,120,580	1,558	2,965,577
April	12,922,000	3,930,000	18,958,000	2,633,000	3,480,315	3,388,273
May	8,252,000	3,171,000	9,325,000	3,266,000	426,000	1,873,000
June	3,820,770	2,094,217	5,948,030	2,836,185	500,345	2,464,353
July	6,540,000	1,827,827	4,225,000	1,312,000	2,120,000	2,254,000
August	5,050,000	2,536,000	6,780,000	3,141,000	8,040,000	2,236,000
September	2,293,335	3,932,185	4,100,178	3,899,524	3,560,860	2,831,165
October	5,120,000	4,148,000	5,750,000	2,791,489	1,890,000	2,287,000
November	13,185,000	3,130,000	6,270,000	917,000	2,675,000	2,399,000
December	4,576,697	2,880,555	12,309,338	1,966,514	....	....
Year	$99,272,942	$36,295,321	$101,735,187	$30,838,461	$36,997,928	$28,196,005

Exports and Imports of the United States.

Month of October.	Merchandise.			Gold Balance.	Silver Balance.
	Exports.	*Imports.*	*Balance.*		
1897	$111,744,517	$49,979,712	Exp., $61,764,805	Imp., $11,462,172	Exp., $1,942,014
1898	118,619,563	52,349,526	" 66,270,037	" 15,458,427	" 1,959,383
1899	125,966,527	72,232,238	" 53,734,289	" 8,162,502	" 2,361,531
1900	163,389,680	70,631,034	" 92,758,646	" 10,289,413	" 3,071,550
1901	145,659,415	81,446,763	" 64,212,652	" 5,071,891	" 1,667,173
1902	143,179,752	87,487,527	" 55,692,225	" 7,666,527	" 1,615,811
Ten Months.					
1897	857,982,759	638,734,615	Exp., 219,248,144	Exp., 4,612,574	Exp., 20,667,431
1898	987,897,707	527,728,481	" 460,169,226	Imp., 130,020,320	" 20,293,659
1899	1,028,444,027	658,134,636	" 370,309,391	" 9,553,085	" 18,375,867
1900	1,195,353,918	695,098,467	" 500,255,451	Exp., 2,326,398	" 20,303,011
1901	1,191,978,682	727,924,332	" 464,054,350	Imp., 7,791,364	" 20,663,958
1902	1,036,329,230	789,638,946	" 296,690,264	" 1,576,700	" 18,492,506

BANKING AND FINANCIAL NEWS.

This Department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—The Western National Bank and the National Bank of the United States are to be merged. The capital of the new institution, which will be known as the Western National Bank of the United States, will be $10,000,000 and the surplus $2,500,000.

The significance of the merger lies in the fact that it will bring into harmony the large insurance and financial interests of the Mutual Life Insurance Company and the Equitable Life Assurance Society, as well as of the Morton Trust Company, the Mercantile Trust Company and the Prudential Insurance Company of Newark.

Valentine P. Snyder, now President of the Western National Bank, will be the President of the enlarged bank, which will occupy the office of the Western Bank at Nassau and Pine streets, at least for the present. The Vice-Presidents will be Richard A. McCurdy, President of the Mutual Life; James H. Hyde, Vice-President of the Equitable Life; Thomas F. Ryan, Vice-President of the Morton Trust Company, and Henry A. Smith, Vice-President of the Western National Bank.

—Oscar F. Richardson has opened an office in the Drexel building, 3 Broad street, for the purpose of negotiating collateral time loans, commercial paper and investment securities.

Mr. Richardson was formerly a State bank examiner for the State of New York, and was for twelve years Secretary of the Nassau Trust Co., of Brooklyn, and later Vice-President of the Trust Company of New York.

He expects to make a specialty of dealing with banks and trust companies, and his experience and standing qualify him for rendering efficient service in handling investment securities.

—The trustees of the Broadway Savings Institution have elected Peter Cumming, the first Vice-President, President, to succeed the late Francis A. Palmer.

—An increase has been made in the stock of the Oriental Bank from $300,000 to $600,000.

—Charles L. Taylor, proprietor of the Hotel St. Denis, has been elected a director of the Equitable National Bank, to fill a vacancy.

—Stockholders of the Fifth National Bank have voted to increase the capital from $200,000 to $250,000.

—Messrs. Farson, Leach & Co. will put up a banking house solely for their occupancy at 60 Cedar street. At present the firm is located in the German-American Building, Liberty and Nassau streets.

—On the evening of December 2 Hon. A. B. Hepburn gave a dinner at the Metropolitan Club to Sir Albert K. Rollit, of London, who headed the British delegation at the ceremonies attending the recent opening of the new Chamber of Commerce building.

— Wm. L. Moyer, President of the National Shoe and Leather Bank, has been elected President of the International Banking Corporation. It is also reported that the capital of this company will be increased to $10,000,000. Mr. Moyer is one of the most successful bank officers of the country, and of wide experience. Prior to his election as President of the National Shoe and Leather Bank, he was Vice-President of the Western National Bank of New York.

— On December 4 the Chamber of Commerce adopted a report favoring the exchange of gold for silver, making provision for additional issues of bank circulation, and enlarging deposits of public funds in National banks, deposits not secured by Government bonds to draw two per cent. interest.

— The directors of the Gallatin National Bank have appointed H. P. Monson Assistant Cashier. Mr. Monson has been loan clerk.

— Stephen V. White, known in Wall Street as "Deacon" White, has sold his seat on the Stock Exchange to Henry D. Babcock of Hollister & Babcock for $80,000.

He came to Wall Street from St. Louis in 1865 as a member of the firm of Marvin & White and became a member of the Exchange in 1869.

On three occasions firms of which Mr. White was a member, failed, but each time creditors were paid in full and he resumed business. Since 1882, his firm has been known as S. V. White & Co.

The best-known deal in which Mr. White figured was his attempt to corner corn in 1891. He bought up about 10,000,000 bushels while corn was around forty-eight cents. It went to a high price but dropped before he could unload.

Mr. White was born in Chatham county, N. C., in 1831, and was graduated from Knox College in 1854. Mr. White has been treasurer of Plymouth Church, Brooklyn, for many years.

— The New York Chapter of the American Institute of Bank Clerks is preparing a plan for forming a clearing-house for handling interest coupons. The following committee has been appointed to draft a plan: M. Bauer, of the American Exchange National Bank: W. F. Linson, of the Fourth National Bank, and Leopold Friedrich, of the National City Bank.

NEW ENGLAND STATES.

Boston.—Stockholders of the Atlas National Bank have approved the plan for reducing the capital from $1,500,000 to $1,000,000 by the cancellation of one-third of the number of shares, and the repayment to holders thereof of the amounts so cancelled.

MIDDLE STATES.

Pittsburg.—Stockholders of the Union National Bank recently voted to increase the capital from $250,000 to $500,000. The surplus is now $3,250,000 and undivided profits $300,000.

Philadelphia.—On December 11 the board of directors of the Commercial Trust Co. elected Horatio G. Lloyd President. Mr. Lloyd held the position of Second Vice-President, and, since the resignation of C. Stuart Patterson from the office a little over a year ago, has been the active head of the company. Thomas De Witt Cuyler was elected Vice-President and counsel, and James H. Hyde of New York, Vice-President. Henry C. Deming, Vice-President of the Mercantile Trust Company of New York was elected to the directorate of the Commercial Trust Company, succeeding Gen. Louis Fitzgerald of New York, and Henry Rogers Winthrop was also made a director.

WESTERN STATES.

St. Louis, Mo.—Pope Sturgeon has resigned as Assistant Cashier of the Mechanics' National Bank to accept the position of Assistant Treasurer of the Missouri Trust Co.

Chicago.—Owing to the approaching termination of its charter the Drovers' National Bank is to be reorganized as the Drovers' Deposit National Bank. There will be no material change in the management or business, except that the capital will be raised from $200,000 to $500,000.

Renville, Minn—The Security State Bank, which has had a prosperous career since its organization in 1892, will enter the National banking system about January 15.

Milwaukee, Wis.—Important and valuable work is being done by the Milwaukee Chapter of the American Institute of Bank Clerks. The subject of banking law is receiving a large share of attention in the lecture course.

Failures, Suspensions and Liquidations.

Alabama.—The Fort Payne Bank, of Fort Payne, was placed in the hands of a Receiver on December 7. It was the oldest bank in the county and had $50,000 capital.

Massachusetts—BOSTON.—On November 13 the Central National Bank was declared to be insolvent and was placed in charge of Wm. E. Neal, Receiver.

Wisconsin—MILWAUKEE.—It is announced that the Security Trust Company will be discontinued, as the amount of business done does not warrant its continuance. The company was organized May 1, 1902, with $200,000 capital. The company is able to meet all its obligations and to liquidate without loss.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report. Names of officers and other particulars regarding these new National banks will be found under the different State headings.

National Banks Organized.

6477—First National Bank, Okemah, Indian Territory. Capital, $25,000.
6478—First National Bank, Bricelyn, Minnesota. Capital, $25,000.
6479—Corinth National Bank, Corinth, New York. Capital, $25,000.
6480—First National Bank, Clinton, Indiana. Capital, $30,000.
6481—First National Bank, Anaheim, California. Capital, $50,000.
6482—First National Bank, Remsen, New York. Capital, $25,000.
6483—First National Bank, Slippery Rock, Pennsylvania. Capital, $25,000.
6484—First National Bank of Porto Rico, San Juan, Porto Rico. Capital, $100,000.
6485—Ithaca National Bank, Ithaca, Michigan. Capital, $25,000.
6486—First National Bank, Enderlin, North Dakota. Capital, $25,000.
6487—First National Bank, Dryden, New York. Capital, $25,000.
6488—First National Bank, McIntosh, Minnesota. Capital, $25,000.
6489—First National Bank, Atkinson, Nebraska. Capital, $25,000.
6490—Alva National Bank, Alva, Oklahoma. Capital, $25,000.
6491—First National Bank of Grant County, Canyon City, Oregon. Capital, $25,000.
6492—Old Detroit National Bank, Detroit, Michigan. Capital, $2,000,000.
6493—First National Bank, Osceola, Nebraska. Capital, $25,000.
6494—Eldorado National Bank, El Dorado, Kansas, Capital, $50,000.
6495—Clairton National Bank, Clairton, Pennsylvania. Capital, $25,000.
6496—City National Bank, Dawson, Georgia. Capital, $65,000.
6497—Woods-Rubey National Bank, Golden, Colorado. Capital, $50,000.
6498—First National Bank, Colquitt, Georgia. Capital, $25,000.
6499—Farmers and Merchants' National Bank, Tyrone, Pennsylvania. Capital, $60,000.
6500—First National Bank, Youngwood, Pennsylvania. Capital, $25,000.
6501—First National Bank, Osceola, Pennsylvania. Capital, $50,000. (P. O. Osceola Mills.)
6502—First National Bank, Webster, South Dakota. Capital, $25,000.
6503—First National Bank, Bloomfield, Nebraska. Capital, $25,000.
6504—First National Bank, Farmland, Indiana. Capital, $25,000.
6505—Citizens' National Bank, New Lexington, Ohio. Capital, $25,000.
6506—First National Bank, Cambridge, Nebraska. Capital, $25,000.
6507—Hays National Bank, Hays, Pennsylvania. Capital, $25,000. (P. O. Hope Church.)
6508—First National Bank, Pleasantville, New Jersey. Capital, $25,000.
6509—City National Bank, Auburn, Indiana. Capital, $50,000.
6510—Madison National Bank, Madison, West Virginia. Capital, $25,000.
6511—First National Bank, Boynton, Indian Territory. Capital, $25,000.
6512—Philson National Bank, Berlin, Pennsylvania. Capital, $60,000.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice:

First National Bank, Temple, Oklahoma; by J. C. Tandy, *et al.*
First National Bank, Royse, Texas; by J. D. Miller, *et al.*
First National Bank, Spring Grove, Pennsylvania; by W. L. Glatfelter, *et al.*
Colonial National Bank, Pittsburg, Pennsylvania; by Joshua Rhodes, *et al.*
Stoughton National Bank, Stoughton, Massachusetts; by Edward L. Collins, *et al.*
Mason City National Bank, Mason City, Illinois; by Otho S. King, *et al.*
First National Bank, Northeast, Maryland; by L. L. Dirickson, Jr., *et al.*
Pleasant Unity National Bank, Pleasant Unity, Pennsylvania; by John B. Steel, *et al.*
First National Bank, Parker's Prairie, Minnesota; by Isaac Hazlett, *et al.*
First National Bank, Apache, Oklahoma; by W. T. Clark, *et al.*
Caldwell National Bank, Caldwell, Texas; by J. J. Lane, *et al.*

Granite City National Bank, Granite City, Illinois; by Chas. F. Stelzel, *et al.*
First National Bank, Walter, Oklahoma; by Geo. W. Graham, *et al.*
First National Bank, New Carlisle, Ohio; by W. H. Sterrett, *et al.*
First National Bank, Faulkton, S. D.; by J. H. Anderson, *et al.*
Mount Pleasant National Bank, Mount Pleasant, Ohio; by R. W. Chambers, *et al.*
First National Bank, Virginia, Minnesota; by O. D. Kinney, *et al.*
Ivanhoe National Bank, Ivanhoe, Minnesota; by W. O. Gilruth, *et al.*
People's National Bank, Sistersville, West Virginia; by T. C. Neal, *et al.*
Sandoval National Bank, Nogales, Arizona; by P. Sandoval, *et al.*
First National Bank, Blue Ridge, Texas; by C. D. Allison, *et al.*
First National Bank, International Falls, Minnesota; by Wm. F. Brooks, *et al.*
First National Bank, Oak Harbor, Ohio; by Geo. L. Wells, *et al.*
First National Bank, Montezuma, Georgia; by E. B. Lewis, *et al.*
First National Bank, Edmore, North Dakota; by Geo. E. Towle, *et al.*
First National Bank, Turtle Creek, Pennsylvania; by S. M. Myers, *et al.*
First National Bank, Leetsdale, Pennsylvania; by W. C. Baldwin, *et al.*
First National Bank, Sumpter, Oregon; by R. H. Miller, *et al.*
First National Bank, Beckley, West Virginia: by Chas. E. Hawker, *et al.*
First National Bank, Waynesville, North Carolina; by G. W. Maslin, *et al.*
Ossining National Bank, Ossining, New York: by Geo. Secor, *et al.*
First National Bank, Marion, Wisconsin; by Frank Leake, *et al.*
First National Bank, Nashville, Illinois; by Louis Krughoff, *et al.*
First National Bank, New Salem, Pennsylvania; by J. T. Russell, *et al.*
Lake County National Bank, Libertyville, Illinois: by C. F. Wright, *et al.*
National Bank of Pawnee City, Nebraska; by W. J. Halderman, *et al.*
First National Bank, Seymour, Wisconsin: by Wm. Larsen, *et al.*
First National Bank, Tower City, North Dakota; by R. P. Sherman, *et al.*
Farmers' National Bank, Primghar, Iowa; by R. Hinman, *et al.*
First National Bank, Belen, New Mexico; by M. W. Flournoy, *et al.*
First National Bank, Williamsburg, Pennsylvania; by C. A. Patterson, *et al.*
Kenmare National Bank, Kenmare, North Dakota; by John N. Fox, *et al.*
National Bank of Wyoming, Wyoming, Illinois; by W. H. Colgan, *et al.*
Pennsylvania National Bank, Chester, Pennsylvania; by C. G. Neal, *et al.*

Application for Conversion to National Banks Approved.

Douglas County Bank, Castle Rock, Colorado; into First National Bank of Douglas County.
Security Bank, Renville, Minnesota; into First National Bank.
State Exchange Bank, Cottonwood Falls, Kansas; into Exchange National Bank.
Douglas City Bank, Douglas, Arizona; into First National Bank.

NEW BANKS BANKERS, ETC.,

ALABAMA.

Pell City—Bank of St. Clair County; capital, $25,000; Pres., Sumter Cogswell; Cas., E. J. Mautz.

ARKANSAS.

Judsonia—Bank of Judsonia; Cas., C. M. Erganbright.

Lamar—Bank of Lamar; capital, $30,000; Pres., W. A. Cazot; Cas., A. J. Stevens.

CALIFORNIA.

Anaheim—First National Bank (successor to Citizens' Bank); capital, $50,000; Pres., W. F. Botsford; Vice-Pres., John Hartung; Cas., C. E. Holcomb.

COLORADO.

Golden—Woods-Rubey National Bank (successor to Woods & Rubey); capital, $50,000; Pres., J. W. Rubey: Cas., W. P. Benedict; Asst. Cas., H. M. Rubey.

FLORIDA.

Arcadia—Simmons, Langford & Co.; capital, $25,000.

GEORGIA.

Bartow—Bartow Bank; capital, $15,000.

Colquitt—First National Bank; capital, $25,000; Pres., C. C. Bush; Cas., J. R. Crawford.

Dawson—City National Bank; capital, $65,000; Pres., J. M. Bell; Cas., K. S. Worthy.

ILLINOIS.

Chicago—People's Bank: First Mortgage Bond and Trust Co.; capital, $250,000; Pres., F. W. McKinney; Sec., Chester O. Broomell.

Dewey—Dewey Bank; Pres., F. B. Vennum; Cas., J. F. Vennum.

Keithsburg—Citizens' State Bank (successor to Farmers' Bank); capital, $25,000; Pres., H. W. Olcott; Cas., Ben Olcott; Asst. Cas., Chas. A. Hoyt.

Manlius—Bank of Manlius; capital, $25,000.

Steeleville—Bank of Steeleville; Pres., A. L. Wilson; Vice-Pres., Wm. Werre; Cas., Prentiss S. Wilson.

Sterling—Sterling State Bank.

Union—Citizens' Bank; capital, $5,000; Cas., Ralph E. Rich; Asst. Cas., M. R. Rich.

INDIANA.

Attica—Bank of Attica; Pres., Jacob P. Isley; Cas., C. W. Hickman.

AUBURN—City National Bank; capital, $50,000; Pres., W. H. McIntyre; Cas., F. E. Davenport.

CLINTON—First National Bank; capital, $30,000; Pres., James H. Wilson; Cas., J. Clark Smith.

EVANSVILLE - West Side Bank; capital, $50,000; Pres., Benjamin Bosse; Cas., H. H. Ogden.

FARMLAND—First National Bank: capital, $25,000; Pres. Fred P. Shaw; Cas., Henry D. Good; Asst. Cas., C. F. McIntire.

KOKOMO—Kokomo Trust Co.; capital, $35,000; Pres., James D. Johnson; Sec., Fred L. Trees; Asst. Sec., W. E. Sollenberger.

OXFORD—State Bank; capital, $25,000; Pres., W. S. Dobbins; Cas., M. L. Campbell; Asst. Cas., Mabel Campbell.

WOLCOTTVILLE — Citizens' Bank; capital, $10,000.

INDIAN TERRITORY.

BOYNTON—First National Bank; capital, $25,000; Pres., Augustus W. Patterson; Cas., Frank S. Miller.

OKEMAH—First National Bank; capital, $25,000; Pres., C. J. Benson; Cas.. Wm. H. Dill; Asst. Cas., M. B. Flesher.

WAGONER—Citizens' Trust Co.; capital, $100,000; Pres., W. B. Kane; Sec., N. F. Irish.

WYANDOTTE—State Bank; Pres., D. F. Randolph: Cas., J. F. Randolph; Asst. Cas., Richard A. Bruce.

YEAGER—Farmers' Bank; capital, $10,000.

IOWA.

DOLLIVER—Citizens' Bank; Cas., Roy Wertz.

KNOXVILLE—Iowa State Savings Bank; capital, $25,000; Pres., S. L. Collins; Vice-Pres., Lafe S. Collins; Cas., L. B. Myers; Asst. Cas., Scott Collins.

LETTSVILLE—Citizens' Savings Bank; capital, $20,000; Pres., Wm. Lieberkrucht; Cas., W. M. McCormick: Asst. Cas., E. R. McCormick.

KANSAS.

ADA—Ada State Bank; capital, $10,000; Pres., Newton Kreamer: Cas., J. H. Kreamer.

CARLTON—Carlton State Bank; capital, $5,000; Pres., David Major: Cas., James B. Major.

CIMARRON—Citizens' State Bank; Pres., A. D. Wettick; Cas., M. A. Granger.

GARNETT — Citizens' State Bank; capital, $10,000; Pres., D. D. Bailey; Cas., E. M. Elliott.

EL DORADO—El Dorado National Bank; capital, $50,000; Pres., J. E. Dunn; Cas., Jno. T. Evans.

LONGFORD—Citizens' State Bank.

WEBBER—State Bank; capital, $5,000; Pres., W. H. Dick; Cas., M. R. Dick.

KENTUCKY.

CRAB ORCHARD—Crab Orchard Banking Co.; Pres., J. H. Collier; Cas., Wm. Mason Morris.

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MASSACHUSETTS.

BOSTON—Adams Trust Co.; capital, $1,000,000; Pres., Samuel Carr; Vice-Pres. and Sec., Arthur Adams; Vice-Pres. and Treas., Chas. L. Burrill.

MICHIGAN.

CASS CITY—People's Bank; Cas., Charles H. Schenck.

DETROIT—Old Detroit National Bank; capital, $2,000,000: Pres., Alex. McPherson; Vice-Pres., Theodore D. Buhl; Cas., Wm. T. De Graff; Asst Cas.. A. W. Ehrman.

ITHACA—Ithaca National Bank; capital, $25,000; Pres., Alvedo S. Barber; Cas., John J. Pellett.

WOLVERINE—Bank of Wolverine; Cash., J. E. Wiggins.

MINNESOTA.

BRICELYN—First National Bank (successor to State Bank); capital, $25,000; Pres., David Secor: Cas., E. E. Aldrich.

CLARA CITY—German-American Bank; capital, $10,000.

DE GRAFF—Bank of De Graff; capital, $10,000; Pres., W. G. Shaffer; Cas., A. D. Kirschman.

DELHI—Delhi Bank; Pres., J. A. Piersol; Cas., S. B. Angell; Asst. Cas., A. R. Piersol.

HARTLAND—State Bank (successor to Bank of Hartland); capital, $10,000; Pres., J. C. Cheney; Cas., E. O. Nervig.

McINTOSH — First National Bank; capital, $25,000; Pres., Wells S. Short; Cas., Sol. H. Drew.

MONTICELLO—State Bank; capital, $12,000; Pres., S. J. Mealey; Cas., Edward Longworth.

MISSISSIPPI.

COLDWATER — Coldwater Branch Bank of Batesville; Manager, J. H. Pointer.

MISSOURI.

FORTUNA—Bank of Fortuna; capital, $10,000; Pres., J. T. Finley; Cas., Fred Renshaw.

MONTANA.

GLASGOW—Bank of Valley County (successor to Lewis Bros.); capital, $25,000; Pres., John M. Lewis; Cas., R. E. Johnson.

MALTA—First State Bank.

NEBRASKA.

AMES—First Bank; capital, $7,500; Pres. N. J. Johnson; Cas., John S. Cusack.

ATKINSON—First National Bank (Gallagher & Co.); capital, $25,000; Pres., Ed. F. Gallagher; Cas., Fred H. Swingley; Asst. Cas., M. M. Swingley.

BLOOMFIELD—First National Bank; capital, $25,000; Pres., Emil Engdahl; Cas., A. J. Lindstrom.

CAMBRIDGE—First National Bank; capital, $25,000; Cas., James Kelly.

OGALLALA—First State Bank; capital, $10,000; Pres., George W. Snider; Cas., M. Mac Lean; Asst. Cash., J. C. Forsyth.

OSCEOLA—First National Bank: capital, $12,-500; Pres., H. M. Powers; Cas., S. A. Snider; Asst. Cas., J. F. Monson.

SPALDING—Spalding City Bank; capital, $5,-000; Pres., J. H. Sullivan; Cas., Jas. Fox.

NEW JERSEY.

PLEASANTVILLE—First National Bank: capital, $25,000; Pres.. Chas. A. Campbell; Cas., J. H. Nixon; Asst. Cas., Geo. W. Adams.

NEW YORK.

CORINTH—Corinth National Bank; capital, $25,000: Cas., F. Eldred Pruyn.

DRYDEN—First National Bank; capital, $25,-000; Pres., Martin E. Tripp; Cas., F. H. Cuykendall.

REMSEN—First National Bank; capital, $25,-000; Pres., Geo. E. Pritchard; Cas., H. W. Dunlap.

NORTH CAROLINA.

ELIZABETH CITY—Savings Bank and Trust Co.: capital. $25,000; Pres., Wm. T. Old; Vice-Pres., W. C. Glover.

NORTH DAKOTA.

BERWICK—Berwick State Bank; capital, $10,-000; Pres., A. M. Iverson; Cas., Edward Nelson.

ENDERLIN—First National Bank: capital, $25,000; Pres., A. L. Ober; Cas., H. E. Blair.

PERTH—Towner County Bank; capital, $15,-000: Pres.. W. N. Steele; Cas., Fred C. Rother; Asst. Cas., R. A. Packard.

WEBSTER—Bank of Webster; capital, $10,-000; Pres., C. M. Fisher; Vice-Pres., E. J. Chamberlin.

OHIO.

CANTON—Canton Savings and Trust Co.; capital. $100,000; Pres., Z. W. Davis; Sec. and Treas., C. H. Shlabach.

GLENVILLE—Glenville Banking and Trust Co. (successor to Union Bank and Savings Co.); capital, $25,000; Pres., Evan J. Evans; Sec. and Treas., R. S. Thomas.

GREENWICH—Farmers' Banking Co.; Pres., W. A. Hossler; Cas., F. E. Hines.

NEW LEXINGTON—Citizens' National Bank; capital, $25,000; Pres., Asberry Garlinger; Cas., H. E. Conkright.

TOLEDO—American Savings Bank Co.; capital, $200,000; Pres., E. G. Ashley; Vice-Pres., Peter Parker and O. Hasencamp; Cas., E. H. Bradford.

OKLAHOMA.

ALVA—Alva National Bank (successor to Woods County Bank): capital, $25,000: Pres., H. K. Bickford; Cas., L. A. Westfall; Asst. Cas., Earl Rumsey.

BILLINGS—Billings State Bank; capital, $5,000; Pres., John T. Stewart; Cas., Wm. B. Borders.

CESTOS—First Bank; capital, $5,000; Pres., Wm. Shaumberg; Cas., F. C. Hoyt: Asst. Cas., H. B. McCulloch.

ERICK—Erick State Bank: capital, $5,000; Pres., John B. Jones; Cas., M. L. Tansey.

SPARKS—State Bank; capital, $10,000; Pres., H. S. Emmerson; Cas., M. F. Emmerson; Asst. Cas., D. S. Wetmore.

OREGON.

CANYON CITY—First National Bank of Grant County; capital, $25,000; Pres., F. C. Sels; Cas., F. S. Slater; Asst. Cas., R. R. McHaley.

PENNSYLVANIA.

BERLIN—Philson National Bank (successor to S. Philson & Co.); capital, $60,000; Pres., Robert Philson; Cas., Don M. Kimmel.

CLAIRTON—Clairton National Bank; capital, $25,000; Pres., Edwin L. Porter; Cas., C. H. Drum.

OSCEOLA—First National Bank (successor to Osceola Banking Co.); capital, $50,000; Pres., John McLarren; Cas., E. C. Blandy.

HAYS—Hays National Bank: capital, $25,000; Pres., Reid Kennedy; Cas., Edward E. Ebbert.

PITTSBURG—Diamond Savings Bank; capital, $250,000; Pres., John S. Scully; Cas., John S. Scully, Jr.

SLIPPERY ROCK—First National Bank; capital, $25,000; Pres., W. Henry Wilson; Cas., John A. Aiken.

TYRONE—Farmers and Merchants' National Bank; capital, $60,000; Pres., E. J. Pruner; Cas., Frank M. Waring.

YOUNGWOOD—First National Bank; capital, $25,000; Pres., David L. Newill; Cas., John W. Scott.

SOUTH CAROLINA.

BELTON—Farmers' Bank; Pres., M. F. Cox; Cas., John A. Horton.

ORANGEBURG—Farmers and Merchants' Bank; capital, $30,000; Pres., I. S. Harley; Cas., W. B. Thompson.

SOUTH DAKOTA.

WEBSTER—First National Bank; capital, $25,-000; Pres., Isaac Lincoln; Cas., George C. Dunton.

TENNESSEE.

MCEWEN—McEwen Bank; Pres., J. G. Henslee; Cas., T. R. Meadow.

TEXAS.

BAILEY—Merchants and Planters' Bank; Pres., J. F. Laroe; Cas., J. M. Ware.

CHANNING—Bank of Channing; capital, $20,-000; Pres., A. G. Boyce; Cas., L. H. Boyce; Asst. Cas., J. H. Boyce.

VIRGINIA.

CLINTWOOD—Clintwood Bank; capital, $15,-000; Pres., Roland E. Chase.

WASHINGTON.

NEWPORT—Exchange Bank.

SPOKANE—Washington Trust Co.; capital, $50,000; Pres., M. B. Connelly; Treas., J. Grier Long.

WEST VIRGINIA.

MADISON—Madison National Bank; capital, $25,000; Pres., Julian Hill; Cas., S. M. Croft.

WISCONSIN.

ALBANY—Albany Exchange Bank; capital, $10,000.

PRAIRIE DU CHIEN—Crawford County Bank; capital, $25,000; Pres., M. Menges; Cas., Eugene C. Amann.

WITHEE—State Bank; capital, $15,000; Pres., A. R. Owen; Cas., W. C. Tufts.

PORTO RICO.

SAN JUAN—First National Bank: capital, $100,000; Pres., S. O'Donnell; Cas., F. M. Welty.

CANADA.

BRITISH COLUMBIA.

KAMLOOPS—Bank of Hamilton.

ONTARIO.

COLLINGWOOD—Ontario Bank.

CREDITON—Merchants' Bank of Canada.

CREEMORE—Merchants' Bank of Canada.—— Bank of Toronto.

ELMVALE—Western Bank of Canada.

HAMILTON—Bank of Nova Scotia.

LITTLE CURRENT—Merchants' Bank of Canada.

NORTH BAY—Imperial Bank of Canada.

ORONO—Standard Bank of Canada.

PARKHILL—Standard Bank of Canada.

PRESCOTT—Traders' Bank of Canada.

THORNBURY—Bank of Toronto (successor to Hartman & Co.).

WHEATLEY—Merchants' Bank of Canada.

WIARTON—Canadian Bank of Commerce.

WOODSTOCK—Traders' Bank of Canada.

MANITOBA.

BOISSEVAIN—Dominion Bank.

CYPRESS RIVER—Union Bank of Canada.

DAUPHIN—Canadian Bank of Commerce.

DELORAINE—Dominion Bank.

MINNEDOSA—Bank of Hamilton.

NEEPAWA—Canadian Bank of Commerce.

RAPID CITY—Union Bank of Canada (successor to D. A. Hopper).

SELKIRK—Dominion Bank.

SWAN RIVER—Canadian Bank of Commerce.

NOVA SCOTIA.

BADDECK—Union Bank of Halifax.

QUEBEC.

ARTHABASKAVILLE—Molsons Bank.

WATERLOO—Sovereign Bank of Canada.

NORTHWEST TERRITORY.

CALGARY—Canadian Bank of Commerce.

CARDSTON—Union Bank of Canada (successor to Cowdry Bros.).

EDMONTON—Canadian Bank of Commerce.

GRENFELL—Dominion Bank.

MOOSOMIN—Canadian Bank of Commerce.

OXBOW—E. Chappell, Son & Co.

PRINCE ALBERT—Bank of Ottawa.

REGINA—Imperial Bank of Canada.

SINTALUTA—Union Bank of Canada.

CHANGES IN OFFICERS, CAPITAL ETC.

ARKANSAS.

LAKE VILLAGE — Chicot Bank: John B. Simms, Cas. in place of C. R. Symons.

CALIFORNIA.

PASADENA — First National Bank; W. R. Barnes, Vice-Pres. in place of B. F. Ball.

COLORADO.

VICTOR—First National Bank; R. J. Huff, Cas. in place of Josiah A. Smith.

CONNECTICUT.

HARTFORD—Morgan G. Bulkeley, Vice-Pres. in place of Wm. H. Bulkeley, deceased.

NEW HAVEN—E. S. Greeley, Vice-Pres. in place of S. E. Merwin, resigned.

FLORIDA.

JACKSONVILLE—Commercial Bank; capital increased to $100 000.

GEORGIA.

BUFORD—Bank of Buford; R. H. Allen, Pres. in place of W. S. Witham, resigned.

SAVANNAH—National Bank of Savannah: J. Glennan Grady, Asst. Cas., deceased.

IDAHO.

POCATELLO—Bannock National Bank; E. C. Manson, Vice-Pres.; Frank Board, Asst. Cas.

ILLINOIS.

ALTON—Citizens' National Bank; G. A. Joesting, Cas. in place of C. F. Stelzel, resigned. ——Alton Savings Bank; G. A. Joesting, Cas., resigned.

LINCOLN — Lincoln National Bank; E. H. Sanford, Asst. Cas. in place of John J. Cossitt, deceased.

INDIANA.

BLUFFTON—Wells County Bank; capital increased to $100,000.

BOURBON — First State Bank; capital increased to $40,000.

SHERIDAN—First National State Bank; Frank G. Kassebaum, Cas. in place of Orlando A. Cox; Lowell W. Cox, Asst. Cas.

SOUTH BEND—Citizens' National Bank; Geo. W. Lewis, President, deceased.

INDIAN TERRITORY.

COLLINSVILLE—First National Bank; H. F. Johnson, Vice-Pres.; E. C. Johnson, Asst. Cas.

IOWA.

IOWA CITY—First National Bank; John N. Plank, Asst. Cas. in place of John Lasbeck.

LE MARS—German State Bank; title changed to Le Mars Savings Bank.

STANTON—First National Bank; C. G. Lind, Vice-Pres.; Peter Ostrom, Asst. Cas.

STUART—First National Bank; M. R. Porter, Cas.

KENTUCKY.

BEDFORD—Bedford Loan and Deposit Bank; W. R. Logan, Cas., deceased.

LEXINGTON—Third National Bank; Garland H. Barr, Cas.; no Asst. Cas. in place of John G. Cooper.

LOUISVILLE—National Trust Co.; capital increased to $350,000.

LOUISIANA.

DONALDSONVILLE — People's Bank; J. J. Claverie, Pres., resigned.

NAPOLEONVILLE—Bank of Napoleonville; Jos. E. Le Blanc, Pres., deceased.

WINNSBORO—Winnsboro Bank; Lucius A. Thompson, Vice-Pres., deceased.

MAINE.

BATH—First National Bank; Charles H. Potter, Cas. in place of W. D. Mussenden.

OLDTOWN—Eastern Trust and Banking Co.; Albert H. Brown, Mgr., resigned.

MARYLAND.

CUMBERLAND—Interstate Trust and Guarantee Co.; capital increased to $100,000.

MASSACHUSETTS.

ATHOL—Millers River National Bank; P. B. Swift, Cas., in place of W. D. Luey.—Athol Savings Bank; W. G. Avery, Treas., in place of W. D. Luey.

BOSTON—Atlas National Bank; capital reduced to $1,000,000.

MERRIMAC—First National Bank; Samuel C. Pease, Pres., in place of Edward B. Sargent; William L. Smart, Vice-Pres.

NEWBURYPORT—Merchants' National Bank; Wm. R. Johnson, Pres., in place of Philip H. Blumpey, deceased.

NEWTON CENTRE—Newton Centre Trust Co.; Irving F. Munroe, Treas., in place of A. H. Dresser, resigned.

MICHIGAN.

ADRIAN—Commercial Exchange Bank; Channing Whitney, Pres., deceased.

MANISTIQUE—First National Bank; A. S. Putnam, Pres., in place of Moses Blumrosen; Wm. B. Thomas, Vice-Pres., in place of A. S. Putnam.

MARSHALL—First National Bank; C. E. Gorham, Pres., in place of S. H. Gorham, deceased; C. H. Billings, Cas., in place of C. E. Gorham; no Asst. Cas. in place of C. H. Billings.

MINNESOTA.

CEYLON—First National Bank: F. S. Robinson, Cas., in place of Geo. Stickney; C. F. Johnson, Asst. Cas.

SAUK CENTRE—Merchants' National Bank; A. W. Austin, Cas., in place of G. C. Ingram.

MISSISSIPPI.

MERIDIAN—First National Bank; Edwin McMorries, Pres., in place of W. W. George, deceased; H. L. Bardwell, Cas., in place of Edwin McMorries; Walker Broach, Asst. Cas., in place of H. L. Bardwell.

MISSOURI.

GALLATIN—First National Bank; R. G. Sheets, Cas., in place of P. J. Clevinger; R. C. Clevinger and Jas. N. Netherton, Asst. Cashiers.

ST. LOUIS—Colonial Trust Co.; Thomas W. Crouch, Pres., in place of Clark H. Sampson. —Commonwealth Trust Co.; L. C. Burnes, Pres.

MONTANA.

KALISPELL—Conrad National Bank; Charles E. Conrad, Pres., deceased.

NEBRASKA.

FAIRBURY—First National Bank: Rush H. Palmer, Cas. in place of S. M. Bailey; Jay B. McDowell, Asst. Cas., in place of W. P. McDowell.

GOTHENBURG—Gothenburg National Bank; S. L. Burson, Pres. in place of A. M. Dann; J. H. Kelly, Vice-Pres. in place of T. B. Garrison, Sr.; B. R. Kelly, Cas. in place of T. B. Garrison, Jr.; no Asst. Cas. in place of B. W. Hanna.

NEW JERSEY.

CAMDEN—Camden National Bank: B. F. Archer, Pres. in place of Z. L. Howell; F. C. Howell, Vice-Pres.

JERSEY CITY—Third National Bank: John F. Rich, Cas., deceased.

NEW YORK.

ALBANY—New York State National Bank; Lawrence H. Hendricks, Asst. Cas.

BROOKLYN—People's Trust Co.; Edward Johnson, Pres. in place of Felix Campbell, deceased; Chas. A. Boody, Secretary.

ELMIRA—Chemung Canal Bank; absorbed by Elmira Trust Co., and title changed to Chemung Canal Trust Co.—Crouch & Fisher; business transfered to Elmira Trust Co.

FULTON—Fulton Savings Bank; Arvin Rice, Pres.; Wm. J. Lovejoy, Treas.; H. Putnam Allen, Sec.

JAMAICA—Bank of Jamaica; John H. Sutphin, Pres., deceased.

LARCHMONT—Larchmont National Bank; Joseph H. Sterling Pres., deceased.

NEW YORK—Lincoln National Bank; F. W. Van Osten, Asst. Cas. — International Banking Corporation; William L. Moyer, Pres.—New York Security & Trust Co.; L. Carroll Root, Third Vice-Pres.; Alex. S. Webb, Jr., Sec. — Century Bank: Geo. Chapman, Pres. in place of G. M. Gillies.— F. C. Henderson & Co., succeeded by Stone & Gray.—Corn Exchange Bank (Hudson River Branch); Geo. M. Gillies, Mgr.— Bank of the Metropolis; C. H. Hackett, Vice-Pres., in place of Wm. B. Isham, resigned.

POTSDAM—Citizens' National Bank; R. H. Byrns, Cas., in place of W. L. Shepard.

NORTH CAROLINA.

WILMINGTON—Murchison National Bank; capital increased to $300,000.

NORTH DAKOTA.

BOWBELLS—State Bank; capital increased to $10,000.

KENMARE—First National Bank; L. F. Bullis, Cas. in place of F. W. Friis; W. J. Bliss, Asst. Cas. in place of L. F. Bullis.

LA MOURE—Bank of Lamoure; capital increased to $25,000.

OHIO.

BELLEFONTAINE—People's National Bank; Robert Lamb, Pres., deceased.

CALDWELL—Citizens' National Bank; V. E. Harkins, Cas.; G. W. McElfresh, Asst. Cas.

CINCINNATI—Provident Savings Bank and Trust Co.; Edward B. Wilbern, Vice-Pres.

CLEVELAND—American Exchange National Bank; Richard M. Parmeley, Pres., deceased.——First National Bank; J. R. Geary, Asst. Cas.

COVINGTON—Citizens' National Bank; J. T. Bartmess, Cas. in place of J. A. Ullery; G. E. Falknor, Asst. Cas.

DAYTON—Dayton National Bank; S. W. Davies, Pres. in place of R. C. Schenck, deceased; A. J. Conover, Vice-Pres. in place of S. W. Davies.

MOUNT PLEASANT—First National Bank; E. B. Jones, Cas. in place of I. K. Ratcliffe; no Asst. Cas. in place of E. B. Jones.

RAVENNA—Ravenna National Bank; H. L. Hine, Vice-Pres.; H. C. Dodge, Asst. Cas.

TOLEDO—National Bank of Commerce; R. H. Scribner, Asst. Cas.

OKLAHOMA.

NORMAN—Cleveland County National Bank; J. C. Jonas, Cas. in place of R. G. Sheets.

PERRY—Noble County Bank; capital increased to $25,000.

OREGON.

PORTLAND—United States National Bank; J. C. Ainsworth, Pres. in place of Tyler Woodward; W. B. Ayer, Vice-Pres. in place of Jacob Kamm; R. W. Schmeer, additional Asst. Cas.

PENNSYLVANIA.

ALLEGHENY—German National Bank; Geo. G. Schmidt, Asst. Cas.

BLOOMSBURG—Farmers' National Bank; M. Milleisen, Cas. in place of J. N. Thompson.

ERIE—Marine National Bank; Glenn C. Page, Cas. in place of Harry Gunnison, deceased.

HOMESTEAD—First National Bank; Louis Rott, Pres., in place of Jacob Trautman, resigned.

PHILIPSBURG—First National Bank; Frank L. Lukenbach, Cas., resigned.

PITTSBURG—Union National Bank; capital increased to $500,000.

REEDSVILLE—Reedsville National Bank; R. J. Faust, Jr., Cas. in place of M. Milleisen.

SOUTH CAROLINA.

CHARLESTON—Exchange Banking and Trust Co.; capital reduced to $50,000,

SOUTH DAKOTA.

MILLBANK—First National Bank; F. M. Prince, Vice-Pres.; Edith E. Chase, Asst. Cas.

TENNESSEE.

TRENTON—Exchange Bank; J. E. Carthel, Pres. in place of J. M. Senter; Gibson County Bank; A. S. Elder, Pres. in place of J. W. Elder.

TEXAS.

ABILENE—Citizens' National Bank; G. W. Parks, Vice-Pres.; W. G. Swenson, Cas. in place of W. J. Thompson; J. O. Shelton, Asst. Cas.

AUSTIN—Austin National Bank; H. P. Hilliard, Cas., resigned.

COLEMAN—First National Bank; L. E. Collins, Pres. in place of J. B. Coleman; J. H. Babington, Cas. in place of L. E. Collins; no Asst. Cas. in place of J. H. Babington.

GRAND SALINE—First National Bank; T. J. Kelly, Pres., in place of D. C. Earnest; O. M. Marchman, Vice-Pres. in place of T. J, Kelly.

HEREFORD—Hereford National Bank; no Vice-Pres. in place of F. M. Avis; C. W. Dodson, Cas. in place of F. J. Clinkinbeard.

ITASCA—Itasca National Bank; Rufus Martin, Pres., deceased.

VELASCO—Velasco National Bank; S. H. Hudgins, Pres. in place of M. R. Hoskins; Lewis R. Bryan, Vice-Pres. in place of S. H. Hudgins.

UTAH.

SALT LAKE CITY—Bank of Commerce; W. O. Carbis, Asst. Cas.——Wells, Fargo & Co's. Bank; H. L. Miller, Cas. in place of John E. Dooly, resigned.

VIRGINIA.

SOUTH BOSTON—First National Bank; H. J. Watkins, Jr., Cas. in place of R. A. East; C. C. Barnesdale, Asst. Cas. in place of Wm. Lee Owen.

WOODSTOCK—Merchants and Farmers' Bank; Dunbar P. Magruder no longer Cas.

WASHINGTON.

SPOKANE—Old National Bank; D. W. Twoby, Pres. in place of S. S. Glidden; Peter Larson, Vice-Pres. in place of F. R. Culbertson.

WEST VIRGINIA.

MORGANTOWN — Farmers and Merchants' Bank; capital increased to $50,000.

CANADA.

ONTARIO.

BROCKVILLE—Bank of Toronto; W. M. Begg, Mgr. in place of T. A. Bird.

DUTTON—Traders' Bank of Canada; Hugh Ferguson, Mgr.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

ALABAMA.

FORT PAYNE—Fort Payne Bank; in hands of John P. Stanley, Receiver.

ILLINOIS.

PAWPAW—First National Bank; in voluntary liquidation November 10.

MASSACHUSETTS.

BOSTON—Central National Bank; in hands of Wm. E. Neal, Receiver, November 13.

OHIO.

RAVENNA—First National Bank; in voluntary liquidation November 10.

OKLAHOMA.

BILLINGS—First National Bank; in voluntary liquidation October 25.

OREGON.

PORTLAND—Ainsworth National Bank; in voluntary liquidation November 8.

TEXAS.

QUANAH—State National Bank; in voluntary liquidation.

WISCONSIN.

MILWAUKEE—Security Trust Co.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, December 3, 1902.

THE BREAK IN THE STOCK MARKET will make November, 1902, a memorable month for some time to come. As to the causes there is not entire unanimity, but one cause at least was plainly in evidence—the long-continued buying of securities without sufficient money to pay for them. It is very generally conceded that banks had been giving too much encouragement to operators on borrowed capital, and as the money market began to contract, it was a foregone conclusion that the weak holders, whether individuals, pools or syndicates, would have to let go.

Friday, November 14—more than once in the history of Wall street has Friday deserved its reputation of being an unlucky day—was the day on which most stocks met their Waterloo. It and November 10 were the two most active days of the month, but the lowest prices generally were recorded on the 14th.

The decline may be considered the culmination of the distrust which began to manifest itself several weeks ago. The conservative men in the financial world for some time past have expected a break, and it came. Whether it will prevent a slump in the latter part of the last month of the year, an event of frequent occurrence in past years, it is not safe to predict. At all events the decline has carried the prices of a majority of the active stock to the lowest point recorded this year. There was a partial recovery late in the month, but with few exceptions the entire list is lower than it was a month ago, and considerably below the highest prices which ruled at one time during the year.

In the table on the following page is shown the extent of the decline, the first column indicating the extreme fall from the highest price previously touched in November, the second column the decline from the highest price recorded earlier in the year, and the third column the advance from the lowest price of month to the closing price.

The table indicates that a large amount of paper profits, which a few months ago seemed so real, has been dissipated by one of those revulsions in Wall Street which so often upset all calculations.

Whatever opinion may prevail regarding the present or future value of securities, there seems to be no dissent from the proposition that the general business situation is favorable. No more assuring evidence of this fact probably could be offered than that afforded in the voluntary action of the Pennsylvania Railroad and other railroads looking to the better remuneration of their employees. In the case of the Pennsylvania an advance of ten per cent. in the wages of all employees receiving less than $200 a month has been announced. Similar advances have been announced by other roads.

That so important an increase in the expense account of the railroads as this advance in wages will cause should be contemplated, makes only one conclusion possible. The railroads are not only prosperous at the present time, but they see prosperity far enough in the future to make them take the chances on having to reduce wages later on.

	Decline.		
	In November.	*From highest in 1902.*	*Recovery at close of Nov. 1902.*
Amalgamated Copper	11⅞	26	3⅛
American Sugar	10⅛	22⅛	7
Anaconda Copper	14	63	5
Atchison	8⅜	16¼	2¼
Baltimore & Ohio	11⅞	23	3
Brooklyn Rapid Transit	10½	17⅝	9⅛
Canada Southern	9	21	5
Canadian Pacific	10⅝	19½	2⅜
Central of New Jersey	8	33	5
Chic., Mil. & St. Paul	20¾	29¾	7⅜
Chic. & Northwestern	14	57	8½
Chic., Rock I. & Pacific	23½	26	....
Colorado Fuel & Iron	14	33½	11½
Consolidated Gas	9½	21¾	4
Delaware & Hudson	14½	31	7½
Delaware, Lack. & Western	24	66	13½
General Electric	12	159	4
Great Northern pref	7	20¼	1½
Illinois Central	8¾	34	5⅛
International Power	22	144	....
Iowa Central pref	10	25⅜	1¼
Louisville & Nashville	16¼	38½	7¾
Metropolitan Street Railway	8	38¾	4⅝
Missouri, Kans. & Texas pref	6⅛	15	2½
Missouri Pacific	6½	21⅞	3
New York Central	9½	21⅞	7¼
New York, Chic. & St. Louis	7	17⅝	3½
Norfolk & Western	6⅛	12½	2½
North American	7¼	17	3
Pacific Mail	5¼	12⅜	1
Pennsylvania	10	16½	3⅛
People's Gas of Chicago	5¼	11	2¾
Reading	14⅞	26	7½
St. Louis & San Francisco	12	15½	3¼
St. Louis Southwestern pref	7	19½	2⅞
Southern Pacific	10½	20¾	2
Southern	5¾	10⅝	2
Tennessee Coal & Iron	11⅝	20¼	2⅝
Texas & Pacific	6¼	14½	1½
Union Pacific	6⅝	15	1½
United States Steel pref	5⅝	15⅛	⅝
Western Union	4¼	9⅞	⅜

That the railroads have been prosperous we have further evidence in a preliminary report on the income account of the railroads in the United States for the year ended June 30, 1902, prepared by the statistician of the Inter-State Commerce Commission. The report covers 195,945 miles of road and shows that the gross earnings for the year were $1,711,754,200 and the net earnings $605,616,795, the latter an increase of $51,395,421 as compared with the net earnings of the previous year. The dividends declared amounted to $150,685,959, an increase of $29,834,690, or about twenty-five per cent. This, without question, is a highly favorable showing.

Additional encouragement was found by optimists in the report of the Department of Agriculture on the crops of 1902. Close estimates make the production of corn this year 2,542,516,000 bushels, an increase over the yield of 1901 of 1,020,000,000 bushels. Even the big crop of 1900 is beaten by 437,000,000 bushels.

The yield of wheat is about 621,000,000 bushels as against 748,000,000 bushels in 1901 and 522,000,000 bushels in 1900. The crop of oats will amount to 988,000,000 bushels, the largest yield on record and an increase over 1901 of 252,000,000 bushels and over 1900 of 179,000,000 bushels.

The enormous wealth contained in the gold and silver mines of the country is recalled by the report of the Director of the Mint on the production of the precious metals in 1901. While the world's total production was $263,374,700 gold and $104,999,100 (commercial value) silver, the United States alone produced $78,666,700 gold and $33,128,400 silver, nearly thirty per cent. of the total gold and thirty-three per cent. of the total silver supply of the world.

The United States is not alone the largest producer of gold, but last year it led all other countries in increasing its stock of gold. The increase in gold stocks of the principal countries in 1901 was: United States, $63,800,000; Austria-Hungary, $27,600,000; Great Britain, $17,000,000; France, $40,400,000, and Germany, $41,700,000. Russia lost $9,700,000. In the annual report of the Director of the Mint it is shown that during the fiscal year ended June 30, 1902, only $61,980,572 gold was coined in the United States Mint as compared with $99,065,715 in the previous year. The stock of gold bullion in the Treasury increased from $100,219,493 to $124,083,712.

About $500,000,000 of gold coin is now lodged in the Treasury, against which gold certificates are issued. It is evident that the gold coin is following in the wake of the silver dollars, that is into the vaults of the Treasury, while the paper representatives go into circulation. The money situation has improved since a month ago, although there have been periods of stringency. Early in the month the Secretary of the Treasury revoked his offer to receive State and municipal bonds in substitution of Government bonds to secure public deposits. The amount of those classes of bonds held by the Treasury on December 1 was $20,505,500. Of this amount $7,204,000 was New York City bonds; Massachusetts, $5,841,000; Philadelphia, $1,119,000; St. Louis, $1,049,000; Boston, $963,000; Chicago, $686,000; Cleveland, $674,000, and Louisville, $588,000.

The decline which has occurred in the price of silver in London since the beginning of the present year, and which has been accelerated in the last two months, is chiefly important because of its failure to command any marked attention. It is very significant of the change that has occurred not only in public sentiment, but in the views of men of finance, that the unparalleled fall in the price of silver is so barren of results both in and outside of Wall Street. When the Bryan campaign of 1896 was being fiercely waged, silver was selling at about 31 pence per ounce in London; last month it fell below 22 pence, the lowest price ever recorded. Outside of the effect upon our currency system in the Philippines the steady and continued fall in silver is without influence. Yet silver is worth to-day only about one-third of the price at which it ruled thirty years age. The average yearly price in London since 1873 is shown in the following table:

YEAR.	Average price. Pence.	YEAR.	Average price. Pence.	YEAR.	Average price. Pence.
1873	59¼	1883	50 9/16	1893	35⅝
1874	58 5/16	1884	50⅝	1894	28 15/16
1875	56⅞	1885	48⅝	1895	29⅞
1876	52¾	1886	45⅜	1896	30¾
1877	54 13/16	1887	44⅝	1897	27 9/16
1878	52 9/16	1888	42⅞	1898	26 15/16
1879	51¼	1889	42 11/16	1899	27 7/16
1880	52¼	1890	47 11/16	1900	28¼
1881	51 11/16	1891	45 1/16	1901	27 3/16
1882	51⅝	1892	39 13/16	1902*	21¾

* Low price November 28.

Any one who recalls the effort which the Government once made to sustain the price of silver, even to the extent of buying all that our mines produced, must be impressed with the impracticability of the scheme, as shown by subsequent events. To make the bullion value of a silver dollar equal to the face value, the price of silver would have to be 59 pence per ounce, and at the present writing it is less than 22 pence.

It is interesting to note how changed is the condition of the United States Treasury since the time it discontinued its policy of buying silver. For nearly twenty years the Government bought silver bullion almost continuously, and down to November 1, 1893, it paid nearly $509,000,000 for the silver purchased. On that date the Treasury stopped buying silver. It had on hand at that time $21,000,000 of silver in excess of the silver certificates outstanding and $84,000,000 of gold in excess of the gold certificates outstanding. On December 1, 1902, the Treasury reported $11,500,000 silver and $265,000,000 gold owned by the Government. Since November 1, 1893, the total stock of money in the country has increased from $1,839,000,000 to $2,627,000,000, or $788,000,000, and the larger proportion of this increase has been in gold. We show the changes in the different kinds of money, as follows:

	November 1, 1893.	November 1, 1902.	Increase.
Gold coin	$661,395,851	$1,230,672,772	$569,276,921
Silver coin	469,372,202	644,337,145	174,964,943
Notes*	708,728,107	752,953,350	44,225,243
Total	$1,839,496,160	$2,627,963,267	$788,467,107

* Includes United States notes, Treasury notes and National bank notes.

The increase of nearly $175,000,000 in silver in the last nine years has been largely due to the retirement of the Treasury notes of 1890 and their exchange for silver coin. There were about $153,000,000 of these notes outstanding in 1893 and now there are only about $25,000,000. The increase in silver outside of that source has been about $36,000,000. Gold, on the other hand, has increased more than $569,-000,000, and is now not very far short of being fifty per cent. of the total stock of money. The increase of $44,000,000 in notes, notwithstanding the reduction of $128,000,000 in Treasury notes, is due to the increase in National bank notes from $209,000,000 to $380,000,000.

At the close of November the stock of money was further increased to more than $2,645,000,000, of which $1,242,000,000 was gold and $547,000,000 silver. The amount of National bank notes is nearly $385,000,000, the largest ever outstanding at one time.

Some attention has been given of late to the relation between the supply of money and activity in business. Without subscribing to the theory that the one regulates the other, it may be of interest to observe the increase in the amount of money in circulation in recent years and compare it with the volume of clearing-house transactions. The following table shows the total clearings of the United States, as compiled by the "Financial Chronicle," for the first ten months in each year since 1890, the average amount of money in circulation during the corresponding periods and the average amount of exchanges per dollar of circulation :

Ten months ended October 31.	*Bank clearings in United States in ten months ended October 31.*	*Average total circulation in ten months ended October 31.*	*Bank clearings per dollar of circulation.*
1890	$50,574,700,000	$1,447,000,000	$34.95
1891	46,544,800,000	1,521,000,000	30.65
1892	50,768,000,000	1,606,000,000	31.61
1893	46,131,200,000	1,631,000,000	28.28
1894	37,187,100,000	1,678,000,000	22.16
1895	43,467,700,000	1,598,000,000	27.20
1896	41,994,300,000	1,548,000,000	27.13
1897	45,978,500,000	1,668,000,000	27.56
1898	55,087,100,000	1,799,000,000	30.62
1899	77,854,900,000	1,938,000,000	40.17
1900	68,364,300,000	2,066,000,000	33.09
1901	98,915,800,000	2,199,000,000	44.98
1902	98,127,700,000	2,267,000,000	43.29

It is evident that the clearing-house operations have increased more rapidly than has the volume of circulation. The comparison is vitiated to some extent by reason of the greatly increased number of cities in which clearing-house organizations have been established in recent years. Still, the record may be accepted as trustworthy evidence of the extraordinary expansion that has occurred in the business of the country in the last five years.

The Money Market.—The local money market is at present in a condition of ease, and offerings of time money have been freer. The last month of the year, however, is one in which the money market may be expected to develop stringency by reason of the accumulation of money to meet January 1 disbursements. After that date, in the absence of gold exports, the condition should be easy. At the close of the month call money ruled at 4 @ 6 per cent., the average rate being about

5 per cent. Banks and trust companies have loaned at 4½ per cent. as the minimum rate. Time money on Stock Exchange collateral is quoted at 6 per cent. for 30 days to 4 months and 5 @ 5½ per cent. for 6 months on good mixed collateral. For commercial paper the rates are 5½ @ 5¾ per cent. for 60 to 90 days' endorsed bills receivable, 5½ @ 6 per cent. for first-class 4 to 6 months' single names, and 6 @ 6½ per cent. for good paper having the same length of time to run.

MONEY RATES IN NEW YORK CITY.

	July 1.	*Aug. 1.*	*Sept. 1.*	*Oct. 1.*	*Nov. 1.*	*Dec. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances........	3½–7	2½-3	4 –5½	4 –19	5 –7	4 –6
Call loans, banks and trust companies..............................	3 —	3 —	3½—	6 —	4 —	4½—
Brokers' loans on collateral, 30 to 60 days..............................	4¼ -	4½—	5 —	6 @ 1%	6 —	6 —
Brokers' loans on collateral, 90 days to 4 months.......................	4¼–4½	4½— ¾	5 — ½	6 @ 1%	6 —	6 —
Brokers' loans on collateral, 5 to 7 months..........	4½—	4¾–5	5 — ½	6 —	6 —	5 –5½
Commercial paper, endorsed bills receivable, 60 to 90 days............	4½—	4½— ¾	5 —	6 —	5½–6	5½— ¾
Commercial paper prime single names, 4 to 6 months..............	4½–5	4½–5	5 — ½	6 —	5½–6	5½–6
Commercial paper, good single names, 4 to 6 months..............	5 –5½	5½–6	5½-6	6½—	6½–7	6 - 6½

NEW YORK CITY BANKS.—Until the last week of the month the deposits of the clearing-house banks of the city kept declining, in three weeks the decrease amounting to $18,000,000. In the week ended November 29, however, they increased $8,000,000, and are therefore only $10,000,000 less than on November 1, but about $57,000,000 less than they were a year ago. Loans were reduced more than $10,000,000 in the first three weeks of the month, but increased $11,600,000 in the last week, and are greater in amount than at any previous time since the middle of September. The banks have lost nearly $6,000,000 specie and $2,000,000 legal tenders since November 1 and their surplus reserve was reduced $5,500,000. The latter item is now $15,786,000 or $2,000,000 more than it was a year ago.

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Nov. 1...	$878,509,700	$174,524,000	$70,262,900	$893,791,200	$21,339,100	$42,093,900	$1,423,092,500
" 8...	875,480,600	172,204,400	67,118,500	885,882,200	17,852,350	43,801,800	1,397,827,500
" 15...	870,424,200	171,030,300	66,852,900	878,219,400	18,328,350	44,606,100	1,747,727,900
" 22...	868,217,200	170,908,000	67,548,500	875,706,100	19,529,975	45,337,700	1,745,828,000
" 29...	879,826,000	168,840,260	67,905,300	883,836,800	15,786,300	45,432,800	1,367,580,600

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	1900.		1901.		1902.	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$740,046,900	$11,168,075	$854,189,200	$11,525,900	$910,860,800	$7,515,575
February......	795,917,300	30,871,275	969,917,500	24,838,825	975,997,000	26,623,350
March.........	829,917,000	18,641,550	1,012,514,060	14,801,100	1,017,488,800	9,975,925
April..........	807,816,600	9,836,150	1,004,283,200	7,870,500	965,853,300	6,965,575
May...........	852,062,500	21,128,300	970,790,500	16,759,775	968,189,600	7,484,000
June..........	887,954,500	20,122,275	952,398,200	21,253,050	948,826,400	11,929,000
July	888,249,800	16,859,375	971,382,000	8,484,200	955,829,400	12,978,350
August........	887,841,700	27,535,975	955,912,200	22,165,350	957,145,500	18,738,125
September....	903,486,900	27,078,475	968,121,900	11,919,925	935,996,500	9,742,775
October.......	884,706,800	12,942,600	936,452,300	16,293,025	876,519,100	3,236,625
November	841,775,200	5,950,400	958,062,400	10,482,800	893,791,200	21,339,100
December.....	864,410,900	10,865,675	940,668,500	13,414,575	883,836,800	15,786,300

Deposits reached the highest amount, $1,019,474,200 on Feb. 21, 1901, loans, $938,191,200 on March 1, 1902, and the surplus reserve $111,623,000 on Feb. 3, 1894.

NON-MEMBER BANKS—NEW YORK CLEARING-HOUSE.

DATES.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus.*
Nov. 1....	$77,753,500	$81,408,000	$3,397,300	$4,284,500	$7,509,400	$1,638,700	* $3,522,100
" 8....	78,311,800	83,064,900	3,296,900	4,283,400	8,246,900	1,885,200	* 3,043,825
" 15....	78,763,600	82,641,400	3,509,500	4,486,500	7,822,800	1,922,600	* 2,918,950
" 22....	78,179,900	83,005,200	3,456,200	4,361,400	8,262,000	1,994,500	* 2,677,250
" 29....	77,819,300	82,531,300	3,581,900	4,512,300	8,015,200	2,307,300	* 2,216,125

* Deficit.

BOSTON BANKS.

DATES.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
Nov. 1.......	$191,866,000	$213,229,000	$16,451,000	$6,564,000	$6,449,000	$132,182,152
" 8.......	193,928,000	217,830,000	17,153,000	6,588,000	6,729,000	157,974,700
" 15.......	193,248,000	215,735,000	17,100,000	6,732,000	6,493,000	148,926,600
" 22.......	190,735,000	211,925,000	17,371,000	6,807,000	6,611,000	142,560,000
" 29.......	190,494,000	208,878,000	16,874,000	6,368,000	6,739,000	109,150,000

PHILADELPHIA BANKS.

DATES.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
Nov. 1...................	$183,627,000	$206,182,000	$50,247,000	$9,420,000	$103,946,290
" 8...................	182,821,000	205,310,000	49,456,000	9,452,000	111,856,300
" 15...................	183,566,000	206,630,000	48,205,000	9,454,000	119,249,100
" 22...................	183,405,000	207,261,000	49,472,000	9,485,000	132,619,800
" 29...................	182,682,000	206,997,000	50,014,000	9,480,000	103,734,700

EUROPEAN BANKS.—The Bank of England lost $10,000,000 gold last month, and holds $12,000,000 less than it did a year ago. The only other important change in the ownership of gold was in the case of Russia, which gained $14,000,000. It has nearly $35,000,000 more than it held at this time last year. France has $15,000,000 more than in 1901.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	October 1, 1902.		*November 1, 1902.*		*December 1, 1902.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England............	£37,352,348	....	£34,090,614	....	£32,954,871	....
France.............	103,796,441	£44,620,279	101,408,750	£44,351,738	101,734,094	£44,297,737
Germany...........	35,999,000	13,315,000	32,902,000	12,169,000	33,254,000	12,800,000
Russia..............	72,071,000	8,010,000	71,999,000	6,687,000	74,887,000	6,521,000
Austria-Hungary..	45,785,000	12,401,000	45,810,000	12,225,000	46,333,000	12,218,000
Spain...............	14,263,000	19,491,000	14,302,000	19,449,000	14,330,000	19,700,000
Italy...............	16,062,000	2,064,800	16,293,000	2,040,400	16,747,000	2,083,200
Netherlands.......	4,741,600	6,558,500	4,691,200	6,452,200	4,697,900	6,494,400
Nat. Belgium......	3,221,333	1,610,667	3,108,667	1,554,333	3,092,667	1,546,333
Totals..........	£333,291,722	£108,071,246	£324,605,231	£104,928,671	£327,980,532	£105,160,670

MONEY RATES ABROAD.—No change was made in its official rate of discount by any European bank last month. The Bank of England still maintains its rate at 4 per cent. Early in the month the Bank of Bombay advanced its rate from 3 to 4 per cent. Discounts of 60 to 90 days' bills in London at the close of the month were 4 per cent. against 3⅝ per cent. a month ago. The open market at Paris was 3 per cent., the same as a month ago, and at Berlin and Frankfort 3½ per cent., against 3⅛ per cent. a month ago.

Money Rates in Foreign Markets.

	July 19.	Aug. 9.	Aug. 22.	Sept. 26.	Oct. 17.	Nov. 14.
London—Bank rate of discount	3	3	3	3	4	4
Market rates of discount:						
60 days bankers' drafts	2⅛	2 1/16	2¾	3⅛—¼	3 5/16—⅜	3 1/16—
6 months bankers' drafts	2⅝—¾	2⅞	3 1/16	3⅛	3⅜	3 5/16—
Loans—Day to day	2	2	2	2	2½	2⅛
Paris, open market rates	2⅛	1⅞	1⅞	2⅜	2½	3
Berlin, "	1⅛	1⅝	1¾	2⅛	3	3
Hamburg, "	1½	1⅝	1¾	2½	3	3
Frankfort, "	1½	1⅝	1¾	2½	3	3
Amsterdam, "	2⅛	2½	2⅝	2½	2¾	2⅞
Brussels, "	2¾	2¼	2¼	2⅛	2¼	2⅛
Vienna, "	2¼	2⅜	2¼	3⅜	3⅜	3
Madrid, "	4	4	4	4	4	4
Copenhagen, "	4	4	4	4	4	4

Bank of England Statement and London Markets.

	Aug. 6, 1902.	Sept. 10, 1902.	Oct. 15, 1902.	Nov. 12, 1902.
Circulation (exc. b'k post bills)	£30,516,260	£29,573,795	£29,649,950	£29,061,085
Public deposits	7,119,998	9,086,151	7,291,466	8,687,697
Other deposits	41,234,540	39,281,110	42,021,172	39,264,304
Government securities	16,982,336	14,494,260	16,848,540	16,416,182
Other securities	25,723,436	26,178,244	28,199,911	26,890,956
Reserve of notes and coin	23,836,846	26,147,078	22,644,085	22,461,892
Coin and bullion	36,578,106	37,545,873	34,119,035	33,347,917
Reserve to liabilities	49⅛%	53 13-16%	45⅝%	46⅝%
Bank rate of discount	3%	3%	4%	4%
Price of Consols (2¾ per cents.)	94⅞	93⅝	93 1-16	93⅛
Price of silver per ounce	24¼d.	24d.	23⅜d.	22 15-16d.
Average price of wheat	31s. 8d.	29s. 9d.	25s. 5d.	25s. 1d.

Foreign Exchange.—The market for sterling has been strong during the greater part of the month, but there has been no gold-export movement, nor is it at all certain that there will be for the present. The offerings of commercial bills late in the month have been light.

Rates for Sterling at Close of Each Week.

Week ended.	Bankers' Sterling. 60 days.	Bankers' Sterling. Sight.	Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
Nov. 1	4.8340 @ 4.8350	4.8675 @ 4.8685	4.8715 @ 4.8725	4.83 @ 4.83⅛	4.82¾ @ 4.83⅝
" 8	4.8380 @ 4.8400	4.8700 @ 4.8715	4.8750 @ 4.8765	4.83⅛ @ 4.83¾	4.83 @ 4.84
" 15	4.8390 @ 4.8400	4.8690 @ 4.8700	4.8740 @ 4.8755	4.83⅜ @ 4.83⅝	4.82⅞ @ 4.83⅞
" 22	4.8365 @ 4.8375	4.8710 @ 4.8720	4.8760 @ 4.8770	4.83¼ @ 4.83⅛	4.82¾ @ 4.84
" 29	4.8360 @ 4.8375	4.8725 @ 4.8735	4.8770 @ 4.8785	4.83⅛ @ 4.83¼	4.82¾ @ 4.84

Foreign Exchange—Actual Rates on or about the First of each Month.

	Aug. 1.	Sept. 1.	Oct. 1.	Nov. 1.	Dec. 1.
Sterling Bankers—60 days	4.85¼— ½	4.83⅞— 4	4.82½— ¾	4.83¼— ½	4.83½— ¾
" " Sight	4.87¾— 88	4.86½— ¾	4.85⅝— ¾	4.86⅝— ⅞	4.87⅛— ⅜
" " Cables	4.88⅛— ⅜	4.87 — ¼	4.86⅛— ¼	4.87 — ¼	4.87⅝— ⅞
" Commercial long	4.85 — ¾	4.83½— ¾	4.81¾— 2¼	4.83 — ⅛	4.83⅛— ¼
" Docu'tary for paym't.	4.84½— 5¾	4.83 — 4¼	4.81½— 3	4.82¾— ⅝	4.82¾— 4
Paris—Cable transfers	5.15 —	5.16⅞— ¼	5.17⅛—	5.15⅝— 3/32	5.15 3/32—16 1/16
" Bankers' 60 days	5.18⅛—17½	5.18¾—	5.20⅝— 1/16	5.18¾—	5.18¾— ⅛
" Bankers' sight	5.15⅝—	5.17½—16⅞	5.18⅛—17½	5.16¼— ⅝	5.15⅝—
Swiss—Bankers' sight	5.17½—	5.18⅛—17½	5.18¾—	5.16⅞— ¼	5.16¼—
Berlin—Bankers' 60 days	94 15/16— 95	94¾— 13/16	94½— 9/16	94 11/16— ¾	94 11/16— ¾
" Bankers' sight	95 5/16—	95 — 1/16	94 15/16—95	95⅛— 3/16	95¼— 5/16
Belgium—Bankers' sight	5.16¼—	5.17½—16⅞	5.18¾— ⅛	5.16⅞—	5.16⅞—
Amsterdam—Bankers' sight	40¼— 5/16	40⅛— 3/16	40 3/16—	40⅛— 3/16	40⅛— 3/16
Kronors—Bankers' sight	26.85—87	26.82 —84	26.75—78	26.82— .85	26.86— 89
Italian lire—sight	5.21¼— 20	5.20 —19⅜	5.18¾ — ⅛	5.15⅝—15	5.15⅝—

SILVER.—The silver market in London has been demoralized, and the lowest recorded price, 21 3/4 pence per ounce, was made on November 28. The closing price was 21 15-16d., a net deline for the month of 1 5-16d.

MONTHLY RANGE OF SILVER IN LONDON—1900, 1901, 1902.

MONTH.	1900.		1901.		1902.		MONTH.	1900.		1901.		1902.	
	High	*Low.*	*High*	*Low.*	*High*	*Low.*		*High*	*Low.*	*High*	*Low.*	*High*	*Low.*
January..	27 3/4	27	29 5/16	27 7/8	26 1/16	25 5/8	July......	27 3/4	27 5/8	28 3/16	27 3/4	24 9/16	24 5/16
February	27 3/4	27 5/16	28 7/16	27 7/8	25 5/8	25 5/16	August ..	27 3/4	27 1/8	28 7/16	27 11/16	24 7/16	24 1/8
March....	27 11/16	27 7/16	28 3/16	27 5/16	25 7/16	24 13/16	Septemb'r	27 5/8	26 13/16	28 7/16	29 1/4	24 1/8	23 9/16
April.....	27 1/2	27 5/16	27 13/16	26 13/16	24 1/8	23 5/16	October..	26 13/16	26 5/8	30 3/16	29 1/8	23 13/16	23 1/4
May......	27 5/8	27 1/2	27 5/8	27 5/16	24 1/8	23 9/16	Novemb'r	27 5/16	26 11/16	29 13/16	29 7/16	23 1/4	21 3/4
June.....	28 3/16	27 5/16	27 5/8	27 1/4	24 7/16	23 15/16	Decemb'r	27 7/16	26 13/16	29 13/16	29 1/8	....	....

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	*Asked.*		*Bid.*	*Asked.*
Sovereigns & Bk. of Eng. notes.	$4.85	$4.88	Mexican 20 pesos................	$19.55	$19.65
Twenty francs..................	3.85	3.88	Ten guilders.....................	3.97	4.02
Twenty marks..................	4.74	4.76	Mexican dollars.................	.37	.39 1/2
Twenty-five pesetas...........	4.78	4.81	Peruvian soles..................	.36 1/2	.39
Spanish doubloons.............	15.55	15.65	Chilian pesos.....................	.36 1/2	.39
Mexican doubloons.............	15.55	15.65			

Fine gold bars on the first of this month were at par to 1/4 per cent. premium on the Mint value. Bar silver in London, 21 15-16d. per ounce. New York market for large commercial silver bars, 47 5/8 @ 49c. Fine silver (Government assay), 48 @ 49 1/2c. The official price was 47 1/2c.

NATIONAL BANK CIRCULATION.—The total circulation of the National banks on November 30 was $384,854,514, the largest amount ever recorded. There was an increase of $4,378,180 during the month, making the increase in twelve months $25,133,803. A year ago the total circulation was $359,000,000, of which $326,000,000 was based on bonds and $33,000,000 on lawful money. The present circulation has $341,000,000 based on bonds and $43,000,000 on lawful money. The bonds deposited to secure public deposits amount to $152,000,000, of which $20,505,500 are secured by State and city bonds.

NATIONAL BANK CIRCULATION.

	Aug. 31, 1902.	*Sept. 30, 1902.*	*Oct. 31, 1902.*	*Nov 30, 1902.*
Total amount outstanding................	$361,282,691	$366,993,598	$380,476,334	$384,854,514
Circulation based on U. S. bonds	319,407,587	323,843,144	335,783,189	341,100,411
Circulation secured by lawful money....	41,875,104	43,150,454	44,693,145	43,754,103
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent........	7,008,000	7,408,450	8,248,450	8,670,450
Five per cents. of 1894..	610,900	810,900	1,100,900	1,100,900
Four per cents. of 1895..................	2,116,600	2,569,600	2,298,600	2,259,600
Three per cents. of 1898..................	3,995,580	4,437,720	6,056,720	5,881,220
Two per cents. of 1900..................	309,210,600	310,826,100	320,748,000	325,105,850
Total	$322,941,680	$326,052,770	$338,452,670	$343,018,020

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1907, $19,527,650; 5 per cents. of 1894, $2,229,950; 4 per cents. of 1895, $9,584,250; 3 per cents. of 1898, $11,360,120; 2 per cents. of 1900, $87,356,100; District of Columbia 3.65's, 1924, $1,521,000; State and city bonds, $20,505,500; a total of $152,084,570.

GOVERNMENT REVENUES AND DISBURSEMENTS.—The receipts of the Government in November were only $558,744 in excess of the disbursements. The revenues fell off nearly $7,700,000 compared with October and $2,000,000 compared with November, 1901. Customs receipts were less than $22,500,000 as against $26,700,000 in October, and internal revenues receipts were $18,800,000 as against $20,400,000; while the revenues were less than a year ago, the expenditures increased nearly $3,000,000.

United States Treasury Receipts and Expenditures.

Receipts.

Source.	November, 1902.	Since July 1, 1902.
Customs	$22,489,287	$126,469,739
Internal revenue	18,847,580	98,257,695
Miscellaneous	2,262,134	16,754,715
Total	$43,599,001	$241,482,149
Excess of receipts	558,744	14,115,922

Expenditures.

Source.	November, 1902.	Since July 1, 1902.
Civil and mis	$9,968,820	$52,368,081
War	11,095,937	57,942,740
Navy	6,126,934	33,502,291
Indians	1,204,636	6,250,859
Pensions	13,281,389	60,711,476
Interest	1,362,541	16,590,780
Total	$43,040,257	$227,366,227

Money in the United States Treasury.—The total money in the United States Treasury was increased $3,500,000 last month, but the certificates and Treasury notes outstanding increased $2,500,000, leaving the net cash in the Treasury about $1,000,000 more than it was a month ago. The net gold increased $1,400,000.

Money in the United States Treasury.

	Sept. 1, 1902.	Oct. 1, 1902.	Nov. 1, 1902.	Dec. 1, 1902.
Gold coin and bullion	$571,302,633	$590,506,825	$606,299,127	$610,919,798
Silver Dollars	471,870,379	470,718,502	469,250,063	469,812,309
Silver bullion	27,209,244	24,439,639	24,556,601	23,667,801
Subsidiary silver	10,351,174	8,082,371	6,909,608	6,428,213
United States notes	5,539,242	3,750,930	3,041,934	2,897,475
National bank notes	14,725,312	14,610,339	13,468,852	13,302,019
Total	$1,100,997,984	$1,112,103,606	$1,123,526,185	$1,127,027,615
Certificates and Treasury notes, 1890, outstanding	786,624,712	790,695,322	831,674,910	834,179,379
Net cash in Treasury	$314,373,272	$321,408,284	$291,851,275	$292,848,236

Supply of Money in the United States.—The total supply of money in the country is increasing in a most extraordinary manner. The gain in November was $17,500,000 of which more than $11,000,000 was in gold, $2,000,000 in silver coin and $4,000,000 in National bank notes.

Supply of Money in the United States.

	Sept. 1, 1902.	Oct. 1, 1902.	Nov. 1, 1902.	Dec. 1, 1902.
Gold coin and bullion	$1,203,511,751	$1,215,234,885	$1,230,672,772	$1,242,330,766
Silver dollars	542,855,054	545,757,221	546,767,221	548,513,221
Silver bullion	27,209,244	24,439,639	24,556,601	23,667,801
Subsidiary silver	97,766,461	97,988,576	98,809,323	99,511,076
United States notes	346,081,016	346,681,016	346,681,016	346,681,016
National bank notes	361,282,691	366,993,598	380,476,334	384,854,514
Total	$2,579,306,217	$2,597,094,935	$2,627,963,267	$2,645,558,394

Certificates and Treasury notes represented by coin, bullion, or currency in Treasury are not included in the above statement.

Money in Circulation in the United States.—More than $16,000,000 was added to the volume of money in circulation in the United States last month, and

Money in Circulation in the United States.

	Sept. 1, 1902.	Oct. 1, 1902.	Nov. 1, 1902.	Dec. 1, 1902.
Gold coin	$632,209,118	$624,728,060	$624,373,645	$631,410,968
Silver dollars	70,984,675	75,043,719	77,517,158	78,700,912
Subsidiary silver	87,415,287	89,906,205	91,899,715	93,082,863
Gold certificates	306,644,939	304,382,054	342,756,194	345,952,024
Silver certificates	452,357,023	459,571,478	463,170,438	463,304,840
Treasury notes, Act July 14, 1890	27,622,750	26,741,790	25,748,278	24,922,515
United States notes	341,141,774	342,930,086	343,639,082	343,783,541
National bank notes	346,557,379	352,383,259	367,007,482	371,552,495
Total	$2,264,932,945	$2,275,686,651	$2,336,111,992	$2,352,710,158
Population of United States	79,341,000	79,458,000	79,572,000	79,686,000
Circulation per capita	$28.55	$28.64	$29.36	$29.52

the increase was in all the various forms of money excepting Treasury notes, which are being gradually retired. The principal increases were: Gold coin, $7,000,000; gold certificates, $8,000,000; silver dollars, $1,000,000; fractional silver, $1,000,000, and National bank notes, $4,500,000.

UNITED STATES PUBLIC DEBT.—The total interest and non-interest-bearing debt was reduced $2,250,000 last month, $800,000 being in the bonded debt and $1,400,000 in the National bank-note redemption fund. The Government is still increasing very largely the volume of gold certificates issued, the increase last month being more than $9,000,000. The total cash assets in the Treasury increased $11,000,000 but the net cash balance was reduced about $2,000,000. The total debt less cash in the Treasury shows a decrease of about $410,000, which is more than accounted for by the net surplus revenues of $558,000 reported by the Treasury.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1902.	*Oct. 1, 1902.*	*Nov. 1, 1902.*	*Dec. 1, 1902.*
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent.......	$445,940,750	$445,940,750	$445,940,750	$445,940,750
Funded loan of 1907, 4 "	240,063,300	233,177,500	233,178,450	233,178,650
Refunding certificates, 4 per cent......	32,250	31,880	31,370	31,230
Loan of 1904, 5 per cent.................	20,080,150	19,410,350	19,385,050	19,385,050
" 1925, 4 "	139,618,600	134,994,200	119,318,950	118,489,900
Ten-Twenties of 1898, 3 per cent........	97,564,160	97,515,660	97,515,660	97,515,660
Total interest-bearing debt...........	$943,279,210	$931,070,340	$915,370,230	$914,541,240
Debt on which interest has ceased... ...	1,339,790	1,256,860	1,256,820	1,255,810
Debt bearing no interest:				
Legal tender and old demand notes......	346,734,863	364,734,863	364,734,863	364,734,863
National bank note redemption acct..	35,003,208	42,733,894	44,695,092	43,268,362
Fractional currency.....................	6,874,492	6,873,823	6,872,594	6,872,594
Total non-interest bearing debt......	$388,612,563	$396,342,081	$398,302,549	$396,875,819
Total interest and non-interest debt.	1,333,231,564	1,328,669,281	1,314,929,599	1,312,672,869
Certificates and notes offset by cash in the Treasury:				
Gold certificates.........................	316,785,089	363,811,089	367,078,569	376,358,569
Silver "	456,087,000	465,752,000	467,442,000	467,824,000
Treasury notes of 1890	38,596,000	26,836,000	25,796,000	25,054,000
Total certificates and notes...........	$811,468,089	$855,899,089	$860,316,569	$869,236,569
Aggregate debt	2,144,699,653	2,184,568,370	2,175,246,168	2,181,909,438
Cash in the Treasury:				
Total cash assets	1,219,631,721	1,315,429,548	1,302,695,753	1,313,606,717
Demand liabilities........................	898,028,443	944,176,154	946,273,875	959,031,129
Balance	$321,603,278	$371,253,394	$356,421,878	$354,575,588
Gold reserve.............................	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance.........................	171,603,278	221,253,394	206,421,878	204,575,588
Total	$321,603,278	$371,253,394	$356,421,878	$354,575,588
Total debt, less cash in the Treasury.	1,011,628,286	957,415,887	958,507,721	958,097,281

FOREIGN TRADE.—The exports of merchandise in October were $27,000,000 greater in value than those in the previous month, but were about $2,500,000 less than in October, 1901, and $20,000,000 less than in the same month of 1900. Imports of merchandise were slightly less than in September, but $6,000,000 more than in October last year. Compared with two years ago the value of imports has increased $17,000,000. The balance of net exports is again very large, more than $55,000,000 in October. With the single exception of 1899, however, this is the smallest balance reported for that month in the last six years. The exports of merchandise during the ten months ended October 31 for the fourth consecutive year exceed $1,000,000,000, the total being $1,086,000,000. This has been exceeded only twice, in 1900 and 1901. The imports were $789,000,000 in the ten months and the net exports $296,000,000. (For table of exports and imports, see page 1028.)

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of November, and the highest and lowest during the year 1902, by dates, and also, for comparison, the range of prices in 1901:

	Year 1901.		Highest and Lowest in 1902.		November, 1902.		
	High.	Low.	Highest.	Lowest.	High.	Low.	Closing.
Atchison, Topeka & Santa Fe.	91	42¼	96⅝ Sept. 9	74¼—Jan. 27	88¾	80⅝	82⅝
• preferred	108	70	106⅛—Sept. 2	95½—Jan. 27	100½	96½	98⅛
Baltimore & Ohio	114½	81¾	118½—Sept. 10	95⅛—Nov. 14	107⅜	95½	98½
Baltimore & Ohio, pref.	97	83⅜	99 —Sept. 19	92⅛—Sept. 26	94½	93	94½
Brooklyn Rapid Transit	88⅞	55⅞	72⅝—July 21	54¾—Nov. 14	65¼	54¾	63⅞
Canadian Pacific	117½	87	145¼—Sept. 3	112¾—Jan. 28	136⅝	125¾	128⅛
Canada Southern	89	54⅛	97 —May 22	76 —Nov. 19	85	76	81
Central of New Jersey	196⅝	145¾	198 —Jan. 6	165 —Nov. 20	178	165	170
Ches. & Ohio vtg. ctfs	52⅝	29	57½—Sept. 3	48 —Nov. 14	51	43	45¾
Chicago & Alton	50½	27	45⅝—July 16	30 —Nov. 10	36¾	30	33
• preferred	82¼	72½	79 - July 17	68 —Nov. 12	73¾	68	71½
Chicago & E. Illinois	140	91	220¾—July 30	184¾—Jan. 6	206	206	206
• preferred	136	120½	151 - July 1	136½—Sept. 13	....	....	....
Chicago, Great Western	27	16	35 —Aug. 20	22⅝—Jan. 25	30¼	24⅝	26
Chic., Indianapolis & Lou'ville	52⅞	23	80 —May 7	49¼—Jan. 14	73	73	73
• preferred	77¾	58¾	91¼—Aug. 19	75 —Jan. 16	....	....	....
Chic., Milwaukee & St. Paul	188	134	198¾—Sept. 20	160½—Jan. 27	189¾	169	176⅝
• preferred	200	175	200¾—Sept. 20	186 —Jan. 14	194½	189½	190
Chicago & Northwestern	215	168½	271 —Apr. 29	204½—Jan. 14	228	214	222½
• preferred	248	207	274½—Apr. 29	230 —Jan. 18	....	....	....
Chicago, Rock I. & Pacific	175¼	117½	206 —Sept. 22	152 —Jan. 15	203½	180	180
Chic., St. Paul, Minn. & Om.	146¾	125	170½—Apr. 30	140 —Feb. 6	155	150	155
• preferred	201	180	210 —Apr. 15	194⅞—Nov. 28	194⅞	194⅞	194⅞
Chicago Terminal Transfer	31	10½	24⅞—Aug. 19	15¼—Feb. 21	20	16	17½
• preferred	57½	33	44 —Sept. 10	30¼—Feb. 20	37	31¼	32¼
Clev., Cin., Chic. & St. Louis	101	72½	108⅝ - Aug. 8	93 —Nov. 10	99½	93	97⅝
Col. Fuel & Iron Co.	136½	41¾	110½—Apr. 24	73¾—Aug. 22	91	77	88½
Colorado Southern	18	6⅝	35¾—July 17	14⅛—Jan. 15	32¾	27	29¼
• 1st preferred	60	40	79½—Aug. 11	59¼—Jan. 15	73¼	68	68
• 2d preferred	28¾	16½	53⅝—Sept. 2	28 —Jan. 14	49	42½	42⅞
Consolidated Gas Co.	238	187	230¾—Apr. 25	209 —Nov. 19	218½	209	213
Delaware & Hud. Canal Co.	185½	105	184½—Jan. 7	153½—Nov. 14	168	153½	161
Delaware, Lack. & Western	258	188¼	297 —Feb. 4	231 —Nov. 8	255	231	244½
Denver & Rio Grande	53½	29½	51¾—Aug. 21	38⅞—Nov. 28	44⅝	38⅞	39½
• preferred	103¼	80	96¾—Aug. 21	88 —Nov. 12	91	88	89½
Erie	45½	24½	44⅝—Jan. 2	32¾—Nov. 14	38½	32¾	33¾
• 1st pref	75	59¾	75¾—Jan. 2	63½—Nov. 14	68	63¼	64⅞
• 2d pref	62¾	39¼	63¾—Jan. 2	44½—Nov. 19	52¼	44½	45⅝
Evansville & Terre Haute	68	41	74⅝—Mar. 7	50 —Mar. 26	60	51½	58½
Express Adams	202	145	240 —Oct. 2	198 —July 11	....	....	....
• American	219	170	265 —Aug. 28	210 —Jan. 6	240	230	230
• United States	100	53	160 —Aug. 28	97 —Jan. 2	137	125	130
• Wells, Fargo	199¾	130	251 —Aug. 29	185 —Jan. 24	....	....	....
Great Northern, preferred	208	167½	202¼—Sept. 4	181½—Mar. 5	189	182	183½
Hocking Valley	75½	40½	106 —Aug. 8	66 —Jan. 15	99¼	87½	98¾
• preferred	88½	69¾	97¼—Aug. 7	81½ - Jan. 14	94½	88	94½
Illinois Central	154¾	124	173½—Aug. 27	137 —Jan. 14	148¼	139½	144⅝
Iowa Central	43¾	21	51¾—Aug. 21	37½—Jan. 15	43¼	37½	39½
• preferred	87½	48	90⅝—Apr. 28	65 —Nov. 14	75	65	66¼
Kansas City Southern	25	18½	39 —Aug. 25	19 —Jan. 15	35½	29	32
• preferred	49	35	62¾—Apr. 21	44 —Jan. 14	57	51	55¼
Kans. City Ft. S. & Mem. pref.	81¼	77½	88 —Aug. 1	77 —Nov. 10	81¾	77	79¼
Lake Erie & Western	76½	39¾	71½—Jan. 3	50 —Nov. 12	56¼	50	54½
• preferred	135½	108½	138 —Feb. 6	120 —Oct. 8	120	120	120
Long Island	90	67	91⅞—May 2	72⅛—Nov. 18	80	72⅛	77½
Louisville & Nashville	111¾	76	159½—Aug. 20	102⅛—Jan. 27	137¼	121	128¾
Manhattan consol	145	83	158 —Nov. 24	128 —Mar. 12	158	132	156½
Metropolitan Street	177	130	174 - Feb. 5	135 —Oct. 13	143¼	135¼	139⅞
Mexican Central	30	12¾	31½—Mar. 31	22½—Nov. 15	25½	22½	22⅝
Mexican National	15¼	3⅝	20¾—Mar. 10	14⅛—Jan. 15	....	....	....
Minneapolis & St. Louis	111¼	67¾	115 —Apr. 19	105 - Jan. 27	109¾	105	106
• preferred	124	101¾	127¾—Apr. 28	118½—Jan. 22	....	....	....
Missouri, Kan. & Tex.	35½	15	35¾—Sept. 10	24 —Mar. 5	29⅝	24¾	26
• preferred	68⅝	37	69¾—Sept. 10	51 —Jan. 13	61¼	54¾	57½

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	YEAR 1901.		HIGHEST AND LOWEST IN 1902.		NOVEMBER, 1902.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Missouri Pacific	124½	69	125⅛—Sept. 10	96¾—Mar. 11	110⅛	103⅝	106⅝
N. Y. Cent. & Hudson River	174⅛	139⅜	168⅞—Jan. 2	147 —Nov. 14	159⅜	147	154¼
N. Y., Chicago & St. Louis	57⅞	16	57⅝—Aug. 8	40 —Nov. 14	47	40	43⅛
" 2d preferred	95	47	100 —Aug. 7	80 —Nov. 15	89	80	84¾
N. Y., Ontario & Western	40½	24	37⅝—Sept. 8	28¾—Nov. 19	33	28¾	29⅝
Norfolk & Western	61⅝	42	78½—Sept. 3	55 —Jan. 14	74⅜	68¼	70¾
" preferred	92¼	82	98 —July 23	90 —Feb. 21	93	91	93
North American Co	109	73½	134 —Sept. 3	88 —Jan. 28	124¼	117	120
Pacific Mail	49⅛	30½	49⅜—Mar. 10	37 —Nov. 15	42¼	37	38
Pennsylvania R. R	161½	137½	170 —Sept. 4	147 —Jan. 14	163½	153⅛	156⅝
People's Gas & Coke of Chic.	120½	95¾	109½—Sept. 5	98¼—Jan. 9	103¾	98½	101¼
Pullman Palace Car Co	225	195½	250 —Apr. 29	215 —Jan. 13	231	222	222
Reading	58	24⅛	78½—Sept. 3	52¼—Mar. 10	67⅝	52½	60
" 1st prefered	82⅞	65	90¼—Sept. 10	79⅞—Mar. 10	88	84	86
" 2d preferred	64½	38	80⅞—Sept. 11	60 —Jan. 14	77⅝	70	75⅛
St. Louis & San Francisco	56⅛	21½	85½—July 31	53¾—Jan. 2	82	70	73¼
" 1st preferred	88	75	90 —July 30	81 —Nov. 12	84	81	82
" 2d preferred	76¼	53⅛	80⅜—July 30	70 —Nov. 12	75¼	70	70¾
St. Louis & Southwestern	39½	16	39 —Aug. 13	24¾—Mar. 6	31½	25½	28½
" preferred	71	41½	80 —Sept. 9	55¼—Mar. 5	67½	60½	63⅜
Southern Pacific Co	63⅝	29	81¼—Sept. 10	58 —Jan. 15	71	60½	62½
Southern Railway	35¾	18	41⅜—Aug. 21	31 —Nov. 19	36¾	31	32⅜
" preferred	94⅝	67¼	98½—Apr. 15	91 —Nov. 10	94	91	92
Tennessee Coal & Iron Co	76⅝	49⅜	74⅝—Apr. 24	54⅜—Nov. 14	66	54⅜	57
Texas & Pacific	52¼	23¼	54¾—Sept. 3	37⅛—Jan. 15	46½	40¼	41¾
Toledo, St. Louis & Western	25⅛	10¾	33¼—Oct. 24	18½—Jan. 21	31⅛	27	28¾
" preferred	39½	28	49¾—Sept. 2	35 —Jan. 15	49⅜	44	46½
Union Pacific	133	76	113¼—Aug. 26	98¼—Nov. 19	104⅞	98¼	99¾
" preferred	99½	81⅝	95 —Aug. 29	86⅝—Mar. 6	93	89	90¼
Wabash R. R	26	11⅛	38¾—Sept. 10	21¾—Jan. 14	33⅞	28	29⅛
" preferred	46⅛	23¾	54⅛—Sept. 10	41⅛—Jan. 13	48¾	42½	43
Western Union	100¼	81	97⅛—Aug. 26	84¾—July 10	91⅞	87⅝	88
Wheeling & Lake Erie	22	11⅜	30¼—Sept. 9	17 —Jan. 27	27	23	23⅞
" second preferred	38	24	42⅜—Sept. 10	28 —Jan. 14	37¼	33	33
Wisconsin Central	26	14½	31 —Aug. 20	19⅛—Jan. 30	28	23⅛	25
" preferred	48¾	38½	57⅜—Aug. 29	39½—Jan. 24	53	47¾	50½
"INDUSTRIAL"							
Amalgamated Copper	130	60½	79 —Feb. 1	53 —Nov. 14	64⅞	53	56½
American Car & Foundry	35	19	37⅝—Oct. 3	28¼—Apr. 11	35⅞	33	34¼
" pref	89	67	93⅜—Oct. 31	85¼—Jan. 14	93⅜	88¼	90¾
American Co. Oil Co	35½	24	57¾—Apr. 28	30½—Jan. 10	54⅜	45½	47¼
American Ice	41¾	25¾	31⅞—Jan. 2	9½—July 11	11¼	9½	10⅞
American Locomotive	37⅞	22½	36⅞—Apr. 29	26 —Nov. 12	30⅛	26	28¼
" preferred	91¼	83⅜	100¼—Apr. 29	89 —Jan. 3	94⅝	89¼	91¾
Am. Smelting & Refining Co.	69	38½	49⅝—May 26	36⅞—Nov. 28	45¾	36⅞	38½
" preferred	104⅞	88	100⅛—June 23	87½—Nov. 28	95⅛	87½	91
American Sugar Ref. Co.	153	103⅛	135⅛—Mar. 31	113 —Nov. 11	123⅛	113	120
Anaconda Copper Mining	54¼	28¼	146 —Feb. 1	83 —Nov. 10	97	83	88
Continental Tobacco Co. pref.	124	93¼	126½—June 3	115 —Jan. 2	120	116	116½
Distilling Co. of America	10½	6⅞	10 —Feb. 3	4 —Aug. 16	5	4¼	4½
" preferred	34½	23¼	42¾—Apr. 4	31¾—Aug. 19	36¼	32¼	34½
General Electric Co	289¾	183½	334 —Apr. 9	170 —Oct. 30	187	175	179
Glucose Sugar Refinding Co.	65	37	51½—Jan. 20	39⅝—Jan. 3	....	....	....
International Paper Co	28	18½	23⅝—Mar. 20	17½—Nov. 10	19½	17½	17⅝
" preferred	81½	69	77⅛—Jan. 6	70½—Oct. 7	73	71	71⅞
International Power	100½	54⅞	199 —Apr. 29	55 —June 4	77	55	55
National Biscuit	46	37	53¼—Mar. 20	40 —Nov. 12	45⅞	40	45
National Lead Co	25½	15	32 —Sept. 26	15⅜—Jan. 13	29	24⅛	27
Pressed Steel Car Co	52	30	63½—Oct. 3	39 —Jan. 14	63⅛	56¾	60
Republic Iron & Steel Co	24	11¾	24¾—Sept. 8	15⅝—Jan. 2	22	18	19½
" preferred	82	55¼	83⅜—Sept. 10	68 —Jan. 16	79	74	76⅞
U. S. Leather Co	16⅝	7¾	15¼—Sept. 22	11⅛—Feb. 20	14⅛	12	12⅜
" preferred	83¾	69½	91¼—Sept. 22	79⅞—Jan. 21	90⅝	87½	88½
U. S. Rubber Co	34	12½	19⅝—Oct. 1	14 —Jan. 2	17½	15½	17
" preferred	85	47	64 —Mar. 24	50½—Jan. 14	57	51	52½
U. S. Steel	55	24	46¾—Jan. 7	35⅝—Nov. 12	40¼	35⅝	36½
" pref	101⅞	69	97¾—Jan. 7	82⅜—Nov. 12	88¼	82⅝	83¼

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

LAST SALE, PRICE AND DATE AND HIGHEST AND LOWEST PRICES AND TOTAL SALES FOR THE MONTH.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE.		NOVEMBER SALES.		
				Price.	*Date.*	*High.*	*Low.*	*Total.*
Ann Arbor 1st g 4's	1995	7,000,000	Q J	97¼	Nov.21,'02	97¼	95	29,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	138,117,500	A & O	101⅞	Nov.29,'02	102	101¼	1,084,000
″ registered		....	A & O	101	Nov.11,'02	101⅞	101	45,500
″ adjustment, g. 4's	1995	31,055,000	NOV	91⅜	Nov.29,'02	92	90⅝	121,500
″ registered		....	NOV	94½	Apr.15,'02	....	....	....
″ stamped	1995	20,673,000	M & N	91⅜	Nov.28,'02	92	90½	157,000
″ serial debenture 4's—								
″ series A	1903	2,500,000	F & A	97	Aug. 5,'02	....	....	....
″ registered		....	F & A	....	....	....	....	....
″ series B	1904	2,500,000	F & A	....	....	....	....	....
″ registered		....	F & A	....	....	....	....	....
″ series C	1905	2,500,000	F & A	....	....	....	....	....
″ registered		....	F & A	....	....	....	....	....
″ series D	1906	2,500,000	F & A	....	....	....	....	....
″ registered		....	F & A	....	....	....	....	....
″ series E	1907	2,500,000	F & A	....	....	....	....	....
″ registered		....	F & A	....	....	....	....	....
″ series F	1908	2,500,000	F & A	....	....	....	....	....
″ registered		....	F & A	....	....	....	....	....
″ series G	1909	2,500,000	F & A	....	....	....	....	....
″ registered		....	F & A	....	....	....	....	....
″ series H	1910	2,500,000	F & A	....	....	....	....	....
″ registered		....	F & A	....	....	....	....	....
″ series I	1911	2,500,000	F & A	....	....	....	....	....
″ registered		....	F & A	....	....	....	....	....
″ series J	1912	2,500,000	F & A	....	....	....	....	....
″ registered		....	F & A	....	....	....	....	....
″ series K	1913	2,500,000	F & A	....	....	....	....	....
″ registered		....	F & A	....	....	....	....	....
″ series L	1914	2,500,000	F & A	92⅞	Nov.10,'02	92⅞	92⅞	36,000
″ registered		....	F & A	....	....	....	....	....
″ Chic. & St. L. 1st 6's	1915	1,500,000	M & S	....	....	....	....	....
Atl. Knox. & Nor. Ry. 1st g. 5s	1946	1,000,000	J & D	114½	Oct. 8,'02	....	....	....
Balt. & Ohio prior lien g. 3½s	1925	69,798,000	J & J	95½	Nov.29,'02	95½	94	191,000
″ registered			J & J	97	Apr.26,'02	....	....	....
″ g. 4s	1948	65,963,000	A & O	101	Nov.28,'02	101½	100	785,000
″ g. 4s. registered			A & O	104	Sept.16,'02	....	....	....
″ ten year c. deb. g. 4's	1911	592,000	M & S	111	Oct. 18,'02	....	....	....
Pitt Jun. & M. div. 1st g. 3½s.	1925	11,293,000	M & N	89½	Nov.20,'02	89½	89½	2,000
″ registered			Q Feb	....	....	....	....	....
Pitt L. E. & West Va. System refunding g 4s	1941	20,000,000	M & N	95	Nov.29,'02	95⅜	95	194,000
″ Southw'n div. 1st g. 3½s	1925	41,990,000	J & J	88½	Nov.29,'02	89¾	88½	325,000
″ registered			Q J	90¼	July 16,'01	....	....	....
Monongahela River 1st g. g., 5's	1919	700,000	F & A	114¼	June27,'02	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s,	1930	1,018,000	M & S	112	Nov.14,'99	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,427,000	M & S	116	Oct. 27,'02	....	....	....
Alleghany & Wn. 1st g. gtd 4's	1998	2,000,000	A & O	....	....	....	....	....
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	130	May 20,'02	....	....	....
″ cons. 1st 6's,	1922	3,920,000	J & D	125¾	Oct. 27,'02	....	....	....
Buff. & Susq. 1st refundg g. 4's	1951	3,021,000	J & J	103	June16,'02	....	....	....
″ registered			J & J	....	....	....	....	....
Burlington, Cedar R. & N. 1st 5's,	1906	6,500,000	J & D	105⅛	Nov.25,'02	105⅛	105	4,000
″ con. 1st & col. tst 5's	1934	7,803,000	A & O	122	Nov. 1,'02	122	122	10,000
″ registered			A & O	124⅝	Feb. 28,'02	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 5's.	1921	1,905,000	A & O	118	Jan. 27,'02	....	....	....
Minneap's & St. Louis 1st 7's, g,	1927	150,000	J & D	140	Aug.24,'95	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	*Principal Due*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
Canada Southern 1st int. gtd 5's,	1908	14,000,000	J & J	105¾	Nov.29,'02	106	105⅛	51,000
" 2d mortg. 5's,	1913	6,000,000	M & S	108	Nov.29,'02	108	107¼	18,000
" registered			M & S	106	Nov.29,'01	106	106	85,000
Central Branch U. Pac. 1st g. 4's.	1948	2,500,000	J & D	94⅜	Sept. 6,'02	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's,	1987	4,880,000	M & N	107⅛	Nov.28,'02	108	107⅛	17,000
Central R'y of Georgia, 1st g. 5's.	1945	7,000,000	F & A	122	Nov.25,'02	122	122	1,000
" registered $1,000 & $5,000			F & A	....	....	....	....	....
" con. g. 5's	1945	16,700,600	M & N	107¼	Nov.28,'02	107⅛	106¾	149,000
" con. g. 5's, reg. $1,000 & $5,000			M & N	105⅛	Sept.18,'01	....	....	....
" 1st. pref. inc. g. 5's,	1945	4,000,000	OCT 1	74¾	Nov.28,'02	79	74	244,000
" 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	35	Nov.28,'02	40	35	326,000
" 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	26	Nov.20,'02	28	25⅛	110,000
" Chat. div. pur. my. g. 4's.	1951	1,840,000	J & D	92	Aug.21,'02	....	....	....
" Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	108¼	Sept. 3,'02	....	....	....
" Mid. Ga. & Atl. div. g 5s.	1947	413,000	J & J	102	June29,'99	....	....	....
" Mobile div. 1st g. 5's	1946	1,000,000	J & J	112⅛	Apr.30,'02	....	....	....
Central of New Jersey, gen. g. 5's	1987	45,091,000	J & J	136⅝	Nov.28,'02	137	136	151,000
" registered			Q J	135¼	Nov.26,'02	135¼	135¼	20,000
Am. Dock & Improvm't Co. 5's,	1921	4,987,000	J & J	113⅛	Nov. 5,'02	113⅛	113⅛	5,000
Lehigh & H. R. gen. gtd g. 5's.	1920	1,062,000	J & J	....	....	....	....	....
Lehigh & W.-B. Coal con. 5's.	1912	2,691,000	Q M	106	Mar.27,'02	....	....	....
" con. extended gtd. 4½'s.	1910	12,175,000	Q M	101⅛	Nov.29,'02	101⅛	101	20,000
N.Y. & Long Branch gen. g. 4's.	1941	1,500,000	M & S	....	....	....	....	....
Charleston & Sav. 1st g. 7's	1936	1,500,000	J & J	108¾	Dec.13,'99	....	....	....
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	109⅝	Nov.29,'02	109⅝	109⅝	1,000
" Mortgage gold 6's	1911	2,000,000	A & O	112	Nov. 7,'02	112	112	1,000
" 1st con. g. 5's	1939	25,858,000	M & N	118¼	Nov.26,'02	118⅛	118	21,000
" registered			M & N	116	July 16,'01	....	....	....
" Gen. m. g. 4½'s	1992	33,833,000	M & S	104⅛	Nov.29,'02	105⅛	104⅛	294,000
" registered			M & S	103	Apr.18,'01	....	....	....
" Craig Val. 1st g. 5's	1940	650,000	J & J	112	Nov. 3,'02	112	112	5,000
" (R. & A. d.) 1st c. g. 4's,	1989	6,000,000	J & J	103⅛	Nov.10,'02	103⅛	103⅛	2,000
" 2d con. g. 4's	1989	1,000,000	J & J	99	Oct. 30,'02	....	....	....
" Warm S. Val. 1st g. 5's,	1941	400,000	M & S	106⅛	Oct. 29,'02	....	....	....
Greenbrier Ry. 1st gtd. 4's	1940	2,000,000	M & N	....	....	....	....	....
Chic. & Alton R. R. s. fund g. 6's.	1903	1,671,000	M & N	102⅝	July 10,'02	....	....	....
" refunding g. 3's	1949	29,696,000	A & O	82⅛	Nov.25,'02	82⅛	82⅛	25,000
" " registered			A & O	....	....	....	....	....
Chic. & Alton Ry 1st lien g. 3½'s.	1950	22,000,000	J & J	79⅝	Nov.2?,'02	81	78¾	149,000
" registered			J & J	83¾	Apr. 16,'02	....	....	....
Chicago, Burl. & Quincy con. 7's.	1903	21,699,000	J & J	104	Nov.26,'02	104⅛	104	28,000
" Chic. & Iowa div. 5's	1905	2,320,000	F & A	104¾	Apr.11,19'	....	....	....
" Denver div. 4's	1922	5,272,000	F & A	101	Nov. 8,'02	101	101	4,000
" Illinois div. 3½s	1949	37,096,000	J & J	98	Nov.19,'02	99¼	98	77,000
" registered			J & J	....	....	....	....	....
" (Iowa div.) sink. f'd 5's,	1919	2,566,000	A & O	114⅝	Aug. 6,'02	....	....	....
" 4's	1919	8,390,000	A & O	103	Oct. 28,'02	....	....	....
" Nebraska extensi'n 4's,	1927	25,900,000	M & N	107¼	Nov.29,'02	107¼	107⅛	22,000
" registered			M & N	112¾	Apr. 17,'01	....	....	....
" Southwestern div. 4's.	1921	2,850,000	M & S	100	Mar.20,'02	....	....	....
" 4's joint bonds	1921	215,153,000	J & J	95⅝	Nov.29,'02	96¼	95⅛	1,813,000
" " registered			Q JAN	94⅝	Nov.11,'02	94⅝	94⅝	13,000
" 5's, debentures	1913	9,000,000	M & N	106⅛	Nov.25,'02	106¾	106⅛	17,000
Han. & St. Jos. con. 6's	1911	8,000,000	M & S	117	Nov.24,'02	118	117	16,000
Chicago & E. Ill. 1st s. f'd c'y. 6's.	1907	2,989,000	J & D	112¼	Nov.22,'02	112¼	112¼	35,000
" small bonds			J & D	112	Apr. 2,'96	....	....	....
" 1st con. 6's, gold	1934	2,653,000	A & O	139⅞	July 31,'02	....	....	....
" gen. con. 1st 5's	1937	13,643,000	M & N	120⅛	Nov.28,'02	121	120	101,000
" registered			M & N	124¾	Mar.31,'02	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	123	Nov. 1,'02	123	123	5,000
Chicago, Indianapolis & Louisville.								
" refunding g. 6's	1947	4,700,000	J & J	132	Nov.17,'02	132	130	22,000
" ref. g. 5's	1947	3,842,000	J & J	117⅛	Nov.20,'02	117⅛	117⅛	1,000
Louisv. N. Alb. & Chic. 1st 6's.	1910	3,000,000	J & J	115	May 9,'02	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highes and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	Principal Due.	Amount.	Int'st paid.	LAST SALE. Price.	Date.	NOVEMBER SALES. High.	Low.	Total.
Chicago, Milwaukee & St. Paul.								
Chicago Mil. & St. Paul con. 7's	1905	2,136,000	J & J	194¼	Oct. 21,'02	....	....	....
" terminal g. 5's	1914	4,748,000	J & J	113¾	Nov.11,'02	113¾	113¾	9,000
" gen. g. 4's, series A	1989	23,676,000	J & J	113¼	Nov.29,'02	113¼	113	15,000
" registered		....	Q J	105½	Feb. 19,'98	....	....	....
" gen. g. 3½'s, series B	1989	2,500,000	J & J	104¾	Jan. 29,'02	....	....	....
" registered			J & J	....		....	....	....
" Chic. & Lake Sup. 5's	1921	1,360,000	J & J	120½	Mar. 31,'02	....	....	....
" Chic. & M. R. div. 5's	1926	3,083,000	J & J	121½	Oct. 31,'02	....	....	....
" Chic. & Pac. div. 6's	1910	3,000,000	J & J	116	Oct. 29,'02	....	....	....
" 1st Chic. & P. W. g. 5's	1921	25,340,000	J & J	119¼	Nov.25,'02	119¼	119¼	22,000
" Dakota & Gt. S. g. 5's	1916	2,856,000	J & J	118¼	Oct. 21,'02	....	....	....
" Far. & So. g. 6's assu.	1924	1,250,000	J & J	137½	July 18,'98	....	....	....
" 1st H'st & Dk. div. 7's	1910	5,680,000	J & J	122	Oct. 1,'02	....	....	....
" 1st 5's	1910	990,000	J & J	107⅞	Aug.28,'02	....	....	....
" 1st 7's, Iowa & D, ex.	1908	1,132,000	J & J	191½	Oct. 7,'02	....	....	....
" 1st 5's, La. C. & Dav.	1919	2,500,000	J & J	116	Sept.30,'02	....	....	....
" Mineral Point div. 5's	1910	2,840,000	J & J	109	Oct. 3,'02	....	....	....
" 1st So. Min. div. 6's	1910	7,432,000	J & J	115	Sept.18,'02	....	....	....
" 1st 6's, Southw'n div.	1909	4,000,000	J & J	115	Mar. 4,'02	....	....	....
" Wis. & Min. div. g. 5's	1921	4,755,000	J & J	119¾	Nov.21,'02	119½	118⅝	11,000
" Mil. & N. 1st M. L. 6's	1910	2,155,000	J & D	117	Mar.19,'02	....	....	....
" 1st con. 6's	1913	5,092,000	J & D	120½	Aug. 5,'02	....	....	....
Chic. & Northwestern con. 7's	1915	12,832,000	Q F	135	Nov.17,'02	135	134	11,000
" gold 7's	1902	7,170,000	J & D	103	Nov 17,'02	103	103	13,000
" registered gold 7's	1902		J & D	102	Oct. 14,'02	....	....	....
" extension 4's	1886-1926	18,632,000	F A 15	107⅜	Oct. 9,'02	....	....	....
" registered			F A 15	106⅝	Oct. 9,'02	....	....	....
" gen. g. 3½'s	1987	13,205,000	M & N	102¼	Nov.19,'02	102½	102½	1,000
" registered			Q F	103	Nov.19,'98	....	....	....
" sinking fund 6's	1879-1929	5,808,000	A & O	115½	July 22,'02	....	....	....
" registered			A & O	111	Oct. 18,19'	....	....	....
" sinking fund 5s'	1879-1929	6,917,000	A & O	106½	Nov.17,'02	106½	106½	1,000
" registered			A & O	107⅞	May 24,19'	....	....	....
" deben. 5's	1909	5,900,000	M & N	106¾	Nov. 6,'02	106¾	106¾	14,000
" registered			M & N	108	Oct. 3,'01	....	....	....
" deben. 5's	1921	10,000,000	A & O	112¼	Nov. 1,'02	112½	112½	2,000
" registered			A & O	114	Oct. 23,'01	....	....	....
" sinking f'd deben. 5's	1933	9,800,000	M & N	117½	Nov.25,'02	118⅝	117½	5,000
" registered			M & N	123	May 28,'01	....	....	....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's	1905	1,600,000	M & S	106	Nov. 5,'02	106	106	4,000
Northern Illinois 1st 5's	1910	1,500,000	M & S	108	Oct. 9,'02	....	....	....
Ottumwa C. F. & St. P. 1st 5's	1909	1,600,000	M & S	107	Oct. 28,'01	....	....	....
Winona & St. Peters 2d 7's	1907	1,592,000	M & N	116½	June1?,'02	....	....	....
Mil., L. Shore & We'n 1st g. 6's	1921	5,000,000	M & N	131⅛	Nov.26,'02	131⅛	131⅛	20,000
" ext. & impt. s.f'd g. 5's	1929	4,148,000	F & A	124	Nov.29,'02	124	124	5,000
" Ashland div. 1st g. 6's	1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
" Michigan div. 1st g. 6's	1924	1,281,000	J & J	139¾	Jan. 10,'02	....	....	....
" con. deb. 5's	1907	436,000	F & A	107½	Feb. 21,'01	....	....	....
" incomes	1911	500,000	M & N	114¼	Sept.17,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup.	1917	12,500,000	J & J	128¾	Nov.20,'02	129	128¾	11,000
" registered	1917		J & J	128¼	Nov.22,'02	128¼	128¼	10,000
" gen. g. 4's	1988	59,581,000	J & J	108¼	Nov.29,'02	108⅝	108¼	69,000
" registered			J & J	112	Apr. 8,'02	....	....	....
" coll. trust serial 4's.								
" series A	1903	1,472,000	M & N	....		....	....	....
" B	1904	1,472,000	M & N	....		....	....	....
" C	1905	1,472,000	M & N	100⅝	July 2,'02	....	....	....
" D	1906	1,472,000	M & N	....		....	....	....
" E	1907	1,472,000	M & N	....		....	....	....
" F	1908	1,472,000	M & N	....		....	....	....
" G	1909	1,472,000	M & N	....		....	....	....
" H	1910	1,472,000	M & N	99⅝	June30,'02	....	....	....
" I	1911	1,472,000	M & N	....		....	....	....
" J	1912	1,472,000	M & N	....		....	....	....
" K	1913	1,472,000	M & N	....		....	....	....
" L	1914	1,472,000	M & N	....		....	....	....
" M	1915	1,472,000	M & N	99¼	July 10,'02	....	....	....
" N	1916	1,472,000	M & N	99⅜	June28,'02	....	....	....
" O	1917	1,472,000	M & N	....		....	....	....
" P	1918	1,472,000	M & N	....		....	....	....
Chic. Rock Is. & Pac. R.R. 4's	2002	67,853,000	M & N	85¼	Nov.29,'02	86½	82¼	4,424,000
" registered			M & N	....		....	....	....
Des Moines & Ft. Dodge 1st 4's	1905	1,200,000	J & J	99½	May 20,'01	....	....	....
" 1st 2½'s	1905	1,200,000	J & J	93	Nov.28,'02	93	93	2,000
" extension 4's		672,000	J & J	98	Dec. 19,19'	....	....	....
Keokuk & Des M. 1st mor. 5's	1923	2,750,000	A & O	110½	Apr. 4,'02	....	....	....
" small bond	1923	....	A & O	107	Oct. 1,'01	....	....	....

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
Chic., St.P., Minn. & Oma. con. 6's	1930	14,514,000	J & D	138½	Nov.29,'02	138⅝	138¼	53,000
Chic., St. Paul & Minn. 1st 6's	1918	1,932,000	M & N	135½	Nov.24,'02	135½	135½	5,000
North Wisconsin 1st mort. 6's	1930	767,000	J & J	137½	Sept.23,'02	....	....	....
St. Paul & Sioux City 1st 6's	1919	6,070,000	A & O	127	Nov.28,'02	127	126	19,000
Chic., Term. Trans. R. R. g. 4's	1947	13,635,000	J & J	86	Nov.26,'02	87½	86	13,000
Chic. & Wn. Ind. gen'l g. 6's	1932	9,868,000	Q M	116¾	Nov.21,'02	116¾	116¾	10,000
Chic. & West Michigan R'y 5's	1921	5,753,000	J & D	109	Apr. 28,'02	....	....	....
Choc., Oklahoma & Glf. gen. g. 5s	1919	5,500,000	J & J	114½	May 14,'02	....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's	1905	927,000	A & O	111½	Dec. 9,'01	....	....	....
• 2d g. 4½'s	1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's	1941	3,500,000	M & N	114¾	July 16,'02	....	....	....
Clev., Cin., Chic. & St.L. gen. g. 4's	1993	15,650,000	J & D	101½	Nov.29,'02	102	101	125,000
• do Cairo div. 1st g. 4's	1939	5,000,000	J & J	101½	Oct. 8,'02	....	....	....
Cin., Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	101½	Nov. 3,'02	101½	101½	3,000
St. Louis div. 1st col. trust g. 4's	1990	9,750,000	M & N	102	Nov.25,'02	102	101⅝	11,000
• registered				103	Oct. 10,'02	....	....	....
Sp'gfield & Col. div. 1st g. 4's	1940	1,035,000	M & S	100	June14,'01	....	....	....
White W. Val. div. 1st g. 4's	1940	650,000	J & J	83	Nov.22,'99	....	....	....
Cin., Ind., St. L. & Chic. 1st g. 4's	1936	7,685,000	Q F	102⅝	Oct. 29,'02	....	....	....
• registered				95	Nov. 15,'94	....	....	....
• con. 6's	1920	668,000	M & N	107½	June30,'93	....	....	....
Cin., S'dusky & Clev. con. 1st g. 5's	1928	2,571,000	J & J	115	Nov. 3,'01	115	115	1,000
Clev., C., C. & Ind. con. 7's	1914	3,991,000	J & D	134½	Jan. 7,'02	....	....	....
• sink. fund 7's	1914		J & D	119⅝	Nov. 19,'89	....	....	....
• gen. consol 6's	1934	3,205,000	J & J	138	May 9,'02	....	....	....
• registered			J & J	....	....	....	....	....
Ind. Bloom. & West. 1st pfd 4's	1940	981,500	A & O	104½	Nov.19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's	1938	500,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's	1940	8,103,000	A & O	99½	Nov.26,'02	99½	99	48,000
• income 4's	1990	4,000,000	A	78	Nov.29,'02	78	76½	85,000
Clev., Lorain & Wheel'g con. 1st 5's	1933	5,000,000	A & O	116¼	Aug.16,'02	....	....	....
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	127½	Jan. 25,'02	....	....	....
• registered			Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 4's	1947	8,946,000	J & J	80½	Nov.19,'02	82⅞	80	50,000
Colorado & Southern 1st g. 4's	1929	18,350,000	F & A	92	Nov.29,'02	93¼	91	644,000
Conn., Passumpsic Riv's 1st g. 4's	1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's	1907	3,067,000	M & S	115	Nov. 7,'02	115	115	1,000
Morris & Essex 1st m 7's	1914	5,000,000	M & N	135¾	Sept.18,'02	....	....	....
• 1st c. gtd 7's	1915	12,151,000	J & D	137	Sept.26,'02	....	....	....
• registered			J & D	140	Oct. 26,'98	....	....	....
• 1st refund. gtd. g. 3½'s	2000	7,000,000	J & D	....	....	....	....	....
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	133⅛	Nov.25,'02	133⅛	133⅛	6,000
• const. 5's	1923	5,000,000	F & A	115⅛	Aug. 4,'02	....	....	....
• terml. imp. 4's	1923	5,000,000	M & N	103	Nov.13,'02	103	103	2,000
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	112	Nov.20,'02	112	112	3,000
Warren Rd. 1st rfdg. gtd g. 3½'s	2000	905,000	F & A	103½	Oct. 28,'02	....	....	....
Delaware & Hudson Canal.								
• 1st Penn. Div. c. 7's	1917	5,000,000	M & S	143	June 5,'02	....	....	....
• reg	1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	113	Aug.18,'02	....	....	....
• registered			A & O	122	June 6,'99	....	....	....
• 6's	1906	7,000,000	A & O	106	Oct. 7,'02	....	....	....
• registered			A & O	109½	Nov. 16,'01	....	....	....
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	143¾	Nov.10,'02	143¾	143¾	2,000
• 1st r 7's	1921		M & N	147½	June18,'01	....	....	....
Denver & Rio G. 1st con. g. 4's	1936	32,050,000	J & J	100¾	Nov.28,'02	101¼	100½	117,000
• con. g. 4½'s	1936	6,382,000	J & J	105	Nov.17,'02	105	105	1,000
• impt. m. g. 5's	1928	8,103,500	J & D	110	Nov.22,'02	110	110	2,000
Denv. & Southern Ry g. s. fg. 5's	1929	4,923,000	J & D	89	Aug.28,'02	....	....	....
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	111	Feb. 28,'01	....	....	....
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	102½	Oct. 16,'01	....	....	....
• g. 4s	1995	1,250,000	J & D	93½	Aug. 5,'02	....	....	....
Detroit Southern 1st g. 4's	1951	2,866,000	J & D	86	Oct. 30,'02	....	....	....
• Ohio South. div. 1st g. 4's	1941	4,231,000	M & S	92	Nov. 1,'02	92	92	1,000
Duluth & Iron Range 1st 5's	1937	6,734,000	A & O	114	Nov.24,'02	114	113¾	46,000
• registered			A & O	101½	July 23,'89	....	....	....
• 2d l m 6s	1916	2,000,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's	1937	4,000,000	J & J	115	Sept.20,'02	....	....	....
Elgin Joliet & Eastern 1st g 5's	1941	8,352,000	M & N	114	June 5,'02	....	....	....

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NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	NOVEMBER SALES. High.	Low.	Total.
Erie 1st ext. g. 4's.................1947	2,482,000	M & N	113½	Nov.21,'02	113½	113½	1,000
" 2d extended g. 5's.....1919	2,149,000	M & S	119¼	June 6,'02	....	....	....
" 3d extended g. 4½'s...1923	4,618,000	M & S	116⅛	Apr. 16,'02	....	....	....
" 4th extended g. 5's....1920	2,926,000	A & O	117	Oct. 9,'02	....	....	....
" 5th extended g. 4's....1928	709,500	J & D	109¼	Jan. 16,'02	....	....	....
" 1st cons gold 7's.......1920	16,890,000	M & S	137½	Nov.24,'02	137⅝	137¼	33,000
" 1st cons. fund g. 7's....1920	3,699,500	M & S	136	Sept.16,'02	....	....	....
Erie R.R. 1st con.g-4s prior bds.1996	34,000,000	J&J	98	Nov.29,'02	98½	97½	147,000
" registered..................		J&J	98½	July 29,'02	....	....	....
" 1st con. gen. lien g. 4s.1996	34,885,000	J&J	84½	Nov.28,'02	85⅝	84	121,000
" registered..................		J&J	....		....	....	....
" Penn. col. trust g. 4's.1951	32,000,000	F & A	92	Nov.28,'02	93½	92	163,000
Buffalo, N. Y. & Erie 1st 7's.....1916	2,380,000	J & D	130	Oct. 17,'02	....	....	....
Buffalo & Southwestern g. 6's..1908	1,500,000	J&J	....		....	....	....
" small		J&J	....		....	....	....
Chicago & Erie 1st gold 5's.....1982	12,000,000	M & N	120½	Nov.28,'02	120½	120½	3,000
Jefferson R. R. 1st gtd g. 5's....1909	2,800,000	A & O	106	Aug. 5,'02	....	....	....
Long Dock consol. g. 6's.......1935	7,500,000	A & O	134½	Nov.17,'02	135½	134½	7,000
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's..........1922	1,100,000	M&N	116¾	Sept.24,'02	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's...........1913	3,396,000	J&J	118½	Apr. 23,'02	....	....	....
N. Y. & Greenw'd Lake gt g 5's..1946	1,453,000	M&N	109	Oct. 27,'98	....	....	....
" small......................							
Midland R. of N. J. 1st g. 6's...1910	3,500,000	A & O	114⅝	Aug.21,'02	....	....	....
N.Y., Sus.&W. 1st refdg. g. 5's..1937	3,750,000	J & J	114½	Oct. 15,'02	....	....	....
" 2d g. 4½'s..............1937	453,000	F & A	103	Apr. 1,'02	....	....	....
" gen. g. 5's..............1940	2,546,000	F & A	108	Nov.11,'02	108	107¾	9,000
" term. 1st g. 5's.........1943	2,000,000	M & N	110	Oct. 14,02'	....	....	....
" registered......$5,000 each		M & N	....		....	....	....
Wilkesb. & East. 1st gtd g. 5's..1942	3,000,000	J & D	114½	Nov. 6,'02	114½	114½	5,000
Evans. & Terre Haute 1st con. 6's.1921	3,000,000	J & J	121	Nov.24,'02	121	121	5,000
" 1st General g 5's.........1942	2,223,000	A & O	110	Aug.20,'02	....	....	....
" Mount Vernon 1st 6's...1923	375,000	A & O	112	June 2,'02	....	....	....
" Sul. Co. Bch. 1st g 5's...1930	450,000	A & O	95	Sept.15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's....1926	1,591,000	J & J	115	May 28,'02	....	....	....
Florida Cen. & Penins. 1st g 5's...1918	3,000,000	J & J	100	Sept. 6,'99	....	....	....
" 1st land grant ex. g 5's..1930	423,000	J & J	....		....	....	....
" 1st con. g 5's.............1943	4,370,000	J & J	106½	Feb. 26,'02	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s.1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....
Ft. Worth & D. C. ctfs.dep.1st 6's..1921	8,176,000	......	114	Nov.24,'02	114⅜	112½	113,000
Ft. Worth & Rio Grande 1st g 5's.1928	2,863,000	J & J	87	Nov.21,'02	87	86¼	47,000
Galveston H. & H. of 1882 1st 5s..1913	2,000,000	A & O	102	Nov.11,'02	102	102	6,000
Geo. & Ala. 1st con. g 5s.........1945	2,922,000	J & J	111	Nov.25,'02	111	111	8,000
Ga. Car. & N. Ry. 1st gtd. g. 5's..1927	5,360,000	J & J	112	Sept.19,'02	....	....	....
Gulf & Ship Isl. 1st refg.&ter.5's..1952	2,931,000	J & J	....		....	....	....
" registered....................		J & J	....		....	....	....
Hock. Val. Ry. 1st con. g. 4½'s...1999	11,237,000	J & J	107½	Nov.29,'02	109½	107⅛	70,000
" registered.................		J & J	....		....	....	....
Col. Hock's Val. 1st ext. g. 4's.1848	1,401,000	A & O	106	Oct. 29,'02	....	....	....
Illinois Central, 1st g. 4's..........1951	1,500,000	J&J	113¼	Oct. 10,'02	....	....	....
" registered..................		J&J	113½	Mar. 12,19'	....	....	....
" 1st gold 3½'s 1951	2,499,000	J&J	104½	Mar. 25,'02	....	....	....
" registered..................		J&J	102½	Apr. 15,'98	....	....	....
" 1st g 3s sterl. £500,000..1951	2,500,000	M & S	92½	July 13,'96	....	....	....
" registered..................		M & S	....		....	....	....
" total outstg....$13,950,000							
" collat. trust gold 4's..1952	15,000,000	A & O	104⅝	Aug.19,'02	....	....	....
" regist'd....................		A & O	102	Oct. 4,'01	....	....	....
" col.t.g.4sL.N.O.&Tex.1953	24,679,000	M & N	104	Nov.24,'02	104	103⅛	12,000
" registered		M & N	104¾	May 20,'02	....	....	....
" Cairo Bridge g 4's.....1950	3,000,000	J & D	....		....	....	....
" registered.................		J & D	123	May 24,'99	....	....	....
" Louisville div.g. 3½'s.1953	14,320,000	J & J	98½	Nov. 6,'02	98½	98½	6,000
" registered..................		J & J	88½	Dec. 8,'99	....	....	....
" Middle div. reg. 5's...1921	600,000	F & A	95	Dec. 21,'99	....	....	....
" St. Louis div. g. 3's....1951	4,939,000	J & J	87½	May 24,'02	....	....	....
" registered..................		J & J	101¼	Jan. 31,19'	....	....	....
" g. 3½'s 1951	6,321,0 0	J & J	98¼	Oct. 3,'02	....	....	....
" registered..................		J & J	101½	Sept. 10,'95	....	....	....
" Sp'gfield div 1st g 3½'s,1951	2,030,000	J & J	100	Nov. 7,19'	....	....	....
" registered..................		J & J	124	Dec. 11,'99	....	....	....
" West'n Line 1st g. 4's, 1951	5,425,000	F & A	110	Oct. 23,'02	....	....	....
" registered..................		F & A	101½	Jan. 31,19'	....	....	....
Belleville & Carodt 1st 6's......1923	470,000	J & D	124	May 16,'01	....	....	....

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Name. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	November Sales. High.	November Sales. Low.	November Sales. Total.
Carbond'e & Shawt'n 1st g. 4's, 1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's....1951	16,555,000	J D 15	127½	Nov.26,'02	127½	127¼	8,000
" gold 5's, registered........		J D 15	126¼	Nov.18,'01	126¼	126¼	2,000
" g. 3½'s.................1951	1,352,000	J D 15	104⅝	Apr. 11,'02	....	....	....
" registered.................		J D 15	106¼	Aug.17,'99	....	....	....
" Memph. div. 1st g. 4's, 1951	3,500,000	J & D	106¾	Nov. 3,'02	106¾	106¾	1,000
" registered.................		J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's, 1931	538,000	M & S	101	Mar. 3,'02	....	....	....
Ind., Dec. & West. 1st g. 5's......1935	1,824,000	J & J	108	Sept. 9,'02	....	....	....
" 1st gtd. g. 5's...........1935	933,000	J & J	105½	Oct. 7,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's..1950	4,850,000	J & J	102¾	Mar. 22,'02	....	....	....
Internat. & Gt. N'n 1st. 6's, gold.1919	10,235,000	M & N	125	Oct. 31,'02	....	....	....
" 2d g. 5's.................1909	9,335,000	M & S	98¼	Nov.20,'02	99	97	25,000
" 3d g. 4's.................1921	2,729,000	M & S	71	Oct. 28,'02	....	....	....
Iowa Central 1st gold 5's.........1938	7,650,000	J & D	119¼	Nov.10,'02	119¼	119¼	4,000
" refunding g. 4's ...1951	2,000,000	M & S	96½	Aug.25,'02	....	....	....
Kansas C. & M. R. & B. Co. 1st gtd g. 5's.........................1929	3,000,000	A & O	....	....	....	....	....
Kansas City Southern 1st g. 3's..1950	30,000,000	A & O	69¼	Nov.29,'02	69⅞	69¼	47,000
" registered...................		A & O	63¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's...1937	7,250,000	J & J	120½	Nov.26,'02	122	120½	13,000
" 2d mtge. g. 5's...........1941	3,625,000	J & J	115	Nov.24,'02	117½	115	20,000
Northern Ohio 1st gtd g 5's... 1945	2,500,000	A & O	115	Sept.26,'02	....	....	....
Lehigh Val. (Pa.) coll. g. 5's.....1997	8,000,000	M & N	110	Feb. 3,'02	....	....	....
" registered.....................		M & N	....	....	....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s.1940	15,000,000	J&J	108½	Nov.26,'02	109	108½	8,000
" registered.....................	....	J&J	109½	June18,'02	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's.1941	10,000,000	A & O	118⅝	June21,'02	....	....	....
" registered.....................		A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's.1933	10,280,000	J & J	108½	Sept. 8,'01	....	....	....
" registered...............1933		J & J	....	....	....	....	....
Lehigh & N. Y., 1st gtd g. 4's.....1945	2,000,000	M&S	97	July 8,'02	....	....	....
" registered.....................		M&S	....	....	....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's 1914	750,000	A & O	....	....	....	....	....
" " g. gtd 5's.......1914	1,250,000	A & O	101½	Sept. 1,'99	....	....	....
Long Island 1st cons. 5's..........1931	3,610,000	Q J	118½	Nov.14,'02	118½	118½	10,000
" 1st con. g. 4's...........1931	1,121,000	Q J	101	Nov.22,'99	....	....	....
Long Island gen. m. 4's.........1938	3,000,000	J & D	103	Nov.26,'02	103½	103	3,000
" Ferry 1st g. 4½'s......1922	1,500,000	M & S	103	May 29,'02	....	....	....
" g. 4's....................1932	325,000	J & D	102½	May 5,'97	....	....	....
" unified g. 4's...........1949	6,360,000	M & S	101	Nov.24,'02	101	100	42,000
" deb. g. 5's........1934	1,135,000	J & D	111	Jan. 22,'02	....	....	....
Brooklyn & Montauk 1st 6's....1911	250,000	M & S	....	....	....	....	....
" 1st 5's.................1911	750,000	M & S	109½	June17,'96	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's, ..1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's, 1927	883,000	M & S	112½	Jan. 10,'02	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's, 1932	1,425,000	QJAN	112¼	Apr. 9,'02	....	....	....
Louis. & Nash. gen. g. 6's.......1930	8,911,000	J & D	119½	Nov.14,'02	119½	119	28,000
" gold 5's................1937	1,764,000	M & N	111	Nov.19,'02	111	111	5,000
" Unified gold 4's........1940	29,276,000	J & J	101¾	Nov.25,'02	101¾	101	108,000
" registered 1940		J & J	83	Feb. 27,'93	....	....	....
" collateral trust g. 5's, 1931	5,129,000	M & N	111	Nov.25,'02	111	110¾	9,000
" coll. tr 5-20 g 4's..1903-1918	7,500,000	A & O	99½	Nov.29,'02	99½	99	46,000
" E., Hend. & N. 1st 6's..1919	1,840,000	J & D	115	May 9,'02	....	....	....
" L. Cin. & Lex. g. 4½'s,..1931	3,258,000	M & N	109½	Oct. 27,'98	....	....	....
" N. O. & Mobile 1st g. 6's..1930	5,000,000	J & J	130½	Feb. 28,'02	....	....	....
" 2d g. 6's................1930	1,000,000	J & J	124⅝	Apr. 16,'02	....	....	....
" Pensacola div. g. 6's...1920	580,000	M & S	116⅝	Mar. 22,'02	....	....	....
" St. Louis div. 1st g. 6's.1921	3,500,000	M & S	125½	Aug.12,'02	....	....	....
" 2d g. 3's................1980	3,000,000	M & S	75	June20,'02	....	....	....
" H. B'ge 1st sk'fd. g 6's.1931	1,621,000	M & S	....	....	....	....	....
" Ken. Cent. g. 4's......1987	6,742,000	J & J	100	Sept.13,'02	....	....	....
" L. & N. & Mob. & Montg 1st. g. 4½s...........1945	4,000,000	M & S	110½	Mar. 20,'02	....	....	....
" N. Fla. & S. 1st g. g. 5's, 1937	2,096,000	F & A	114½	Sept.16,'02	....	....	....
" Pen. & At. 1st g. g. 6's, 1921	2,059,000	F & A	114	Sept.22,'02	....	....	....
" S. & N. A. con. gtd. g. 5's. 1936	3,673,000	F & A	115	Dec. 5,'01	....	....	....
" So. & N. Ala. si'fd. g. 6s. 1910	1,942,000	A & O	112	Sept.29,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's. 1945	3,000,000	M & S	100	Mar. 19,'01	....	....	....
Manhattan Railway Con. 4's.....1990	28,065,000	A & O	104¼	Nov.26,'02	105	104½	251,000
" registered..................		A & O	105¼	May 7,'01	....	....	....

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Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	112	Nov.22,'02	112¼	111¾	10,000
Manitoba Swn. Coloniza'n g. 5's	1934	2,544,000	J & D					
Mexican Central.								
• con. mtge. 4's	1911	65,643,000	J & J	79	Nov.28,'02	80⅛	79	55,000
• 1st con. inc. 3's	1939	20,511,000	JULY	25	Nov.29,'02	27⅞	25	829,000
• 2d 3's	1939	11,724,000	JULY	16⅜	Nov.21,'02	17⅛	15⅜	155,000
• equip. & collat. g. 5's	1917	700,000	A & O					
• 2d series g. 5's	1919	765,000	A & O					
• col.trust g.4½'s1st se of	1907	10,000,000	F & A	97⅛	Sept.17,'02			
Mexican Internat'l 1st con g. 4's	1977	3,362,000	M & S	90⅝	July 29,'01			
• stamped gtd		3,621,000						
Mexican Northern 1st g. 6's	1910	1,102,000	J & D					
• registered			J & D	105	May 2,19'			
Minneapolis & St. Louis 1st g. 7's	1927	950,000	J & D	147½	Jan. 9,'02			
• Iowa ext. 1st g. 7's	1909	1,015,000	J & D	119¼	Nov.12,'02	119¼	119¼	25,000
• Pacific ext. 1st g. 6's	1921	1,382,000	J & A	129¼	Aug.21,'02			
• Southw. ext. 1st g. 7's	1910	636,000	J & D	121	Jan. 21,'02			
• 1st con. g. 5's	1934	5,000,000	M & N	120½	Nov.17,'02	120½	120	9,000
• 1st & refunding g. 4's	1949	7,600,000	M & S	103⅝	Nov. 6,'02	103⅝	103⅝	9,000
Minneapolis & Pacific 1st m. 5's	1936	3,208,000	J & J	102	Mar.26,'87			
• stamped 4's pay. of int. gtd.								
Minn., S. S. M. & Atlan. 1st g. 4's	1926	8,280,000	J & J	103	Nov.11,'01			
• stamped pay. of int. gtd.				89¾	June 18,'91			
Minn., S. P. & S. S. M., 1st c. g. 4's	1938	21,949,000	J & J	98	Apr. 3,'01			
• stamped pay. of int. gtd.								
Missouri, K. & T. 1st mtge g. 4's	1990	39,718,000	J & D	101	Nov.29,'02	101	99⅛	146,000
— • 2d mtge. g. 4's	1990	20,000,000	F & A	82	Nov.29,'02	83	80	113,500
— • 1st ext gold 5's	1944	2,548,000	M & N	103⅛	Nov.25,'02	105	103½	7,000
— St. Louis div. 1st refundg 4s	2001	1,852,000	A & O	86	Oct. 16,'02			
— Dallas & Waco 1st gtd. g. 5's	1940	1,340,000	M & N	106¼	Sept.20,'02			
— Mo. K.&T. of Tex 1st gtd.g. 5's	1942	3,597,000	M & S	101	Nov.26,'02	103	101	2,000
— Sher.Shrevept & So1st gtd.g.5's	1943	1,689,000	J & D	105⅛	July 28,'02			
— Kan. City & Pacific 1st g. 4's	1990	2,500,000	F & A	90	Nov.14,'02	90	88	15,000
— Tebo. & Neosho 1st 7's	1903	187,000	J & D					
Mo. Kan. & East'n 1st gtd. g. 5's	1942	4,000,000	A & O	109⅛	Nov.21,'02	109¾	109½	6,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	121¼	Nov.28,'02	121⅛	120¾	77,000
— • 3d mortgage 7's	1906	3,828,000	M & N	110	Nov.25,'02	110	110	1,000
— • trusts gold 5's stamp'd	1917	14,376,000	M & S	106	Nov.29,'02	106¼	105⅛	52,000
— • registered			M & S					
— • 1st collateral gold 5's	1920	9,636,000	F & A	105⅝	Nov.21,'02	106⅛	105¼	30,000
— • registered			F & A					
— Cent. Branch Ry.1st gtg. g. 4's	1919	3,459,000	F & A	92	Nov.14,'02	92¾	92	16,000
— Leroy & Caney Val. A. L. 1st 5's	1926	520,000	J & J	100	May 1,'01			
— Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	105	Nov.24,'02	105	105	6,000
— • 2d extended g. 5's	1938	2,573,000	F & A	114	Oct. 31,'02			
— St. L. & I. g. con. R.R.&l.gr. 5's	1931	36,418,000	A & O	114	Nov.29,'02	114½	113	179,000
— • stamped gtd gold 5's	1931	6,945,000	A & O	114	July 29,'02			
— • unify'g & rfd'g g. 4's	1929	24,195,000	J & J	92¾	Nov.29,'02	93	92	56,000
— • registered			J & J					
— Verdigris V'y Ind. & W. 1st 5's	1926	750,000	M & S					
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	109	Aug.31,'19			
• small		226,000	J & J					
• mtg. g. 4's	1945	700,000	J & J	93	Apr. 25,'02			
• small		500,000						
Mob. Jackson&Kan.City 1stg.5's	1946	1,000,000	J & D	102	July 25,'02			
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	130½	Nov.11,'02	130½	130½	9,000
— • 1st extension 6's	1927	974,000	J & D	127	Sept. 4,'02			
— • gen. g. 4's	1938	9,472,000	Q J	97	Oct. 6,'02			
— • Montg'ry div.1st g.5's	1947	4,000,000	F & A	115	Nov.28,'02	115	115	6,000
— St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	91	Oct. 8,'02			
— • collateral g. 4's	1930	2,494,000	Q F	96⅛	Nov.30,'01			
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	126	Nov.19,'02	126	126	2,000
• 1st cons. g. 5's	1928	7,412,000	A & O	112½	Nov.19,'02	113⅛	112½	11,000
• 1st g.6's Jasper Branch	1923	371,000	J & J	123	Mar. 28,'01			
• 1st 6's McM. M.W. & Al.	1917	750,000	J & J	116	July 31,'02			
• 1st 6's T. & Pb.	1917	300,000	J & J	110	Dec. 20,'99			
Nat.R.R.of Mex.prior lien g.4½'s	1926	20,000,000	J & J	100¼	Nov.18,'02	100¼	100¼	500
• 1st con. g. 4's	1951	22,000,000	A & O	75	Nov.29,'02	76	74½	325,000
N. O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108½	Aug.13,'94			

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N. Y. Cent. & Hud. R. 1st c. 7's..	1903	18,327,000	J & J	102¼	Nov.25,'02	102¾	102¼	10,000
" 1st registered..........	1903		J & J	102½	Nov.14,'02	102½	102½	6,000
" g. mortgage 3½s......	1997	40,426,000	J & J	106	Nov.15,'02	106	106	5,000
" " registered......			J & J	106	Nov. 7,'02	106	106	1,000
" debenture 5's.....	1884-1904	4,499,000	M & S	102¾	Nov.25,'02	102¾	102⅝	28,000
debenture 5's reg..........			M & S	102⅝	Nov.28,'02	102⅝	102⅝	10,000
" reg. deben. 5's....	1889-1904	649,000	M & S	103¼	Apr.30,'01	....	....	....
" debenture g. 4's..	1890-1905	5,097,000	J & D	100¾	Oct. 4,'02	....	....	....
" registered..................			J & D	100¼	Jan. 4,'02	....	....	....
" deb. cert. ext. g. 4's...	1905	3,609,000	M & N	100	Nov. 7,'02	100	100	2,000
" registered..................			M & N	99½	Nov. 8,'02	99½	99½	5,000
Lake Shore col. g. 3½s..........	1998	90,578,000	F & A	94½	Nov.26,'02	94⅞	93	193,000
" registered..................			F & A	92¼	Nov.25,'02	93⅞	92¼	78,000
Michigan Central col. g. 3½s..	1998	19,336,000	F & A	93	Nov.19,'02	94	93	6,000
" registered..................			F & A	93½	Sept.22,'02	....	....	....
Beech Creek 1st. gtd. 4's........	1936	5,000,000	J & J	111¼	Oct. 10,'01	....	....	....
" registered			J & J	106	June17,'98	....	....	....
" 2d gtd. g. 5's...........	1936	500,000	J & J	....	....	....	....	....
" registered		....	J & J	....	....	....	....	....
" ext. 1st. gtd. g. 3½'s..	1951	4,500,000	A & O	....	....	....	....	....
" registered..................			A & O	....	....	....	....	....
Carthage & Adiron. 1st gtd g. 4's	1981	1,100,000	J & D	....	....	....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A.	1940	770,000	J & J	95	Apr. 3,'02	....	....	....
" small bonds series B......		33,100	J & J	....	....	....	....	....
Gouv. & Oswega. 1st gtd g. 5's.	1942	300,000	J & D	....	....	....	....	....
Mohawk & Malone 1st gtd g. 4's.	1991	2,500,000	M & S	107½	July 6,19'	....	....	....
" inc. 5's..................	1992	3,900,000	Sept.	110¼	Dec. 6,'01	....	....	....
N. Jersey Junc. R. R. g. 1st 4's.	1986	1,650,000	F & A	105	Oct. 10,'02	....	....	....
" reg. certificates...........			F & A	....	....	....	....	....
N.Y.& Putnam 1st con. gtd g. 4's.	1993	4,000,000	A & O	105½	Nov.15,'96	....	....	....
Nor. & Montreal 1st g. gtd 5's..	1916	130,000	A & O	....	....	....	....	....
West Shore 1st guaranteed 4's.	2361	50,000,000	J & J	113¼	Nov.20,'02	113¾	113	28,000
" registered..................			J & J	112½	Nov.28,'02	112½	112½	11,500
Lake Shore con. 2d 7's..........	1903	6,312,000	J&D	105¼	Nov.11,'02	105¼	105¼	6,000
" con. 2d registered....	1903		J&D	105	Oct. 28,'02	....	....	....
" g 3½s..................	1997	43,820,000	J & D	106	Nov.25,'02	106	104½	22,000
" registered..................			J & D	111	May 2,19'	....	....	....
Detroit, Mon. & Toledo 1st 7's.	1906	924,000	F & A	114	Feb. 6,'02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's...	1938	840,000	J & J	....	....	....	....	....
Mahoning Coal R. R. 1st 5's....	1934	1,500,000	J & J	127½	Feb. 6,'01	....	....	....
Pitt McK'port & Y. 1st gtd 6's..	1932	2,250,000	J & J	146⅜	Apr.12,'01	....	....	....
" 2d gtd 6's...........	1934	900,000	J & J	....	....	....	....	....
McKspt & Bell. V. 1st g. 6's..	1918	600,000	J & J	....	....	....	....	....
Michigan Cent. 6's..............	1909	1,500,000	M & S	118⅜	Dec. 4,'01	....	....	....
" 5's..........................	1931	3,576,000	M & S	128	June21,'02	....	....	....
" 5's reg..................	1931		Q M	127	June19,'02	....	....	....
" 4's........................	1940	2,600,000	J & J	110	Dec. 7,'01	....	....	....
" 4's reg......................			J & J	106½	Nov.26,19'	....	....	....
" g. 3½'s sec. by 1st mge. on J. L. & S.............		2,000,000	M & S	....	....	....	....	....
Battle C. Sturgis 1st g. 3's...	1989	476,000	J & D	....	....	....	....	....
N. Y. & Harlem 1st mort. 7's c..	1900	12,000,000	M & N	102¾	Mar.13,19'	....	....	....
" 7's registered..........	1900		M & N	102¾	Apr. 6,19'	....	....	....
N. Y. & Northern 1st g. 5's.....	1927	1,200,000	A & O	121½	May 1,'02	....	....	....
R. W. & Og. con. 1st ext. 5's...	1922	2,081,000	A & O	120½	Nov.20,'02	122	120½	6,000
coup. g. bond currency..........			A & O	....	....	....	....	....
Oswego & Rome 2d gtd gold 5's.	1915	400,000	F & A	113¾	Jan. 25,'02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's.	1918	375,000	M & N	....	....	....	....	....
Utica & Black River gtd g. 4's..	1922	1,800,000	J & J	108½	Nov.11,'02	108½	108½	5,000
N.Y., Chic. & St. Louis 1st g. 4's...	1937	19,425,000	A & O	104½	Nov.28,'02	105¼	104½	30,000
" registered..................			A & O	105	Nov. 3,'02	105	105	20,000
N. Y., N. Haven & H. 1st reg. 4's.	1903	2,000,000	J & D	100	Dec. 18,'01	....	....	....
" con. deb. receipts.....	$1,000	15,007,500	A & O	229½	Sept.12,'02	....	....	....
" small certifs.............	$100	1,430,000	......	220	Nov.25,'02	220	220	500
Housatonic R. con. g. 5's.........	1937	2,838,000	M & N	135½	Jan. 14,'02	....	....	....
New Haven and Derby con. 5's..	1918	575,000	M & N	115½	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's......	1905	6,000,000	J & J	114	Jan. 5,19'	....	....	....
" 1st 6's....................	1905	4,000,000	J & J	106¼	Mar.18,'02	....	....	....
N.Y., Ont. & W'n. ref'ding 1st g. 4's.	1992	16,937,000	M & S	102½	Nov.29,'02	103	102¼	13,000
" registered........	$5,000 only.	....	M & S	101½	Nov.30,'98	....	....	....
Norfolk & Southern 1st g. 5's....	1941	1,380,000	M & N	116½	Mar.25,'02	....	....	....
Norfolk & Western gen. mtg. 6's.	1931	7,283,000	M & N	133	Aug.11,'02	....	....	....
" imp'ment and ext. 6's...	1934	5,000,000	F & A	132¼	Aug.14,'02	....	....	....
" New River 1st 6's........	1932	2,000,000	A & O	131¾	Nov.13,'02	131¾	131¾	1,000

BOND QUOTATIONS.—Last sale, price and date: highest and lowest prices and total sales for the month.

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NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	NOVEMBER SALES. High	NOVEMBER SALES. Low.	NOVEMBER SALES. Total.
Norfolk & West. Ry 1st con. g. 4s.	1996	33,210,500	A & O	100¼	Nov.29,'02	101	100	246,500
" registered			A & O	100½	Jan. 13,'02	....	....	....
" small bonds			A & O	....	....	....	....	....
" Pocahon C.&C.Co.jt.4's.	1941	20,000,000	J & D	93⅞	Nov.29,'02	94	93	589,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	107½	July 1,'01	....	....	....
" Sci'o Val & N.E. 1st g.4's,	1989	5,000,000	J & N	101	Nov.29,'02	101	100⅝	60,000
N. P. Ry prior ln ry.&ld.gt.g.4's..	1997	100,209,500	Q J	103⅛	Nov.29,'02	103¾	102⅝	287,500
" registered			Q J	103	Nov.17,'02	103	102½	36,000
" gen. lien g. 3's	2047	56,000,000	Q F	73	Nov.29,'02	73¾	72	179,000
" registered			Q F	72	Apr.11,'02	....	....	....
St. Paul & Duluth div. g. 4's...	1996	9,215,000	J & D	102½	May 20,'02	....	....	....
" registered			J & D	....	....	....	....	....
St. Paul & N. Pacific gen g. 6's.	1923	7,985,000	F & A	128	Nov.11,'02	128	128	5,000
" registered certificates			Q F	132	July 28,'98	....	....	....
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	118	Nov. 6, 02	118	118	1,000
" 2d 5's	1917	2,000,000	A & O	110	Oct. 6,'02	....	....	....
" 1st con. g. 4's	1968	1,000,000	J & D	100	Aug.21,'02	....	....	....
Washington Cen. Ry 1st g. 4's..	1948	1,538,000	QMCH	94⅛	Feb. 19,'01	....	....	....
Nor. Pacific Term. Co. 1st g. 6's..	1933	3,717,000	J & J	117½	Oct. 7,'02	....	....	....
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	112½	June 3,'01	....	....	....
" gen. mortg. g 6's	1937	2,428,000	A & O	108½	July 9,02'	....	....	....
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	111¼	Nov.19,'02	112	110½	24,000
Panama 1st sink fund g. 4½'s	1917	2,386,000	A & O	101	Oct. 7,'02	....	....	....
" s. f. subsidy g 6's	1910	1,049,000	M & N	102	Apr. 14,'02	....	....	....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	110¼	Oct. 28,'02	....	....	....
" reg	1921		J & J	109½	Nov.19,'02	109½	109½	2,000
" gtd.3½ col.tr.reg. cts..	1937	5,000,000	M & S	114½	Feb. 15,'99	....	....	....
" gtd.3½ col.tr.cts.serB	1941	10,000,000	F & A	98	Oct. 16,'02	....	....	....
" Trust Co. ctfs. g. 3½'s.	1916	20,000,000	M & N	97½	May 12,'02	....	....	....
Chic., St. Louis & P. 1st c. 5's..	1932	1,506,000	A & O	123	July 2,'02	....	....	....
" registered		....	A & O	110	May 3,'92	....	....	....
Clev.&P.gen.gtd.g.4½'s Ser. A.	1942	3,000,000	J & J	121	Oct. 22,19'	....	....	....
" Series B	1942	1,561,000	A & O	....	....	....	....	....
" " int. reduc. 3½ p.c.		439,000	......	....	....	....	....	....
" Series C 3½s	1948	3,000,000	M & N	....	....	....	....	....
" Series D 3½s	1950	1,933,000	F & A	....	....	....	....	....
E.&Pitts. gen.gtd.g.3½s Ser. B..	1940	2,250,000	J & J	102	Nov. 7,19'	....	....	....
" " " C..	1940	1,508,000	J & J	....	....	....	....	....
Newp. & Cin. Bge Co. gtd g. 4's..	1945	1,400,000	J & J	....	....	....	....	....
Pitts., C. C. & St. L. con. g 4½'s..								
" Series A	1940	10,000,000	A & O	115⅛	June17,'02	....	....	....
" Series B gtd	1942	8,786,000	A & O	112½	Nov.21,'02	112½	112¼	7,000
" Series C gtd	1942	1,379,000	M & N	116½	Feb. 14,'01	....	....	....
" Series D gtd. 4's	1945	4,983,000	M & N	106¼	Nov.19,'02	106¼	106¼	8,000
" Series E gtd. g. 3½s...	1949	10,840,000	F & A	97⅛	June13,'02	....	....	....
Pitts., Ft. Wayne & C. 1st 7's..	1912	2,407,000	J & J	127⅝	Oct. 21,'02	....	....	....
" 2d 7's	1912	2,047,500	J & J	127¾	Oct. 17,'02	....	....	....
" 3d 7's	1912	2,000,000	A & O	130	Apr. 11,'01	....	....	....
Tol Walhonding Vy.&O. 1st gtd. bds								
4½'s series A	1931	1,500,000	J & J	....	....	....	....	....
" 4½'s series B	1933	978,000	J & J	....	....	....	....	....
" 4's series C	1942	1,492,000	M & S	....	....	....	....	....
Penn. RR. Co. 1st Rl Est. g 4's...	1923	1,675,000	M & N	105½	Nov.18,'02	105½	105½	8,000
con. sterling gold 6 per cent...	1905	22,762,000	J & J	....	....	....	....	....
con. currency, 6's registered...	1905	4,718,000	Q M 15	....	....	....	....	....
con. gold 5 per cent	1919	4,998,000	M & S	....	....	....	....	....
" registered			Q M	....	....	....	....	....
con. gold 4 per cent	1943	3,000,000	M & N	....	....	....	....	....
Allegh. Valley gen. gtd. g. 4's...	1942	5,389,000	M & S	110	Aug.28,19'	....	....	....
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	112¾	Mar. 7,19'	....	....	....
Del.R. RR.& BgeCo 1st gtd g.4's,	1936	1,300,000	F & A	....	....	....	....	....
G.R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	111	Sept.19,'02	....	....	....
Sunbury & Lewistown 1st g.4's.	1936	500,000	J & J	....	....	....	....	....
U'd N. J. RR. & Can Co. g 4's...	1944	5,646,000	M & S	117	May 1,19'	....	....	....
Peoria & Pekin Union 1st 6's	1921	1,495,000	Q F	130¼	Feb. 10,'02	....	....	....
" 2d m 4½'s	1921	1,499,000	M & N	101	Oct. 31,19'	....	....	....
Pere Marquette.								
Flint & Pere Marquette g. 6's..	1920	3,999,000	A & O	121⅝	Oct. 29,'02	....	....	....
" 1st con. gold 5's	1939	2,850,000	M & N	112½	Aug.28,'02	....	....	....
" Port Huron d 1st g 5's.	1939	3,325,000	A & O	111¼	Oct. 31,'02	....	....	....
Sag'w Tusc. & Hur. 1st gtd.g.4's.	1931	1,000,000	F & A	....	....	....	....	....
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93	....	....	....
Pittsburg, Clev. & Toledo 1st 6's.	1922	2,400,000	A & O	107½	Oct. 26,'93	....	....	....

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Pittsburg, Junction 1st 6's.......1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A, 1928	2,000,000	A & O	112	Mar. 25,'98	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's, 1940	3,000,000	A & O	119	Nov. 25,'02	119	119	1,000
" 1st cons. 5's.............1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....
Pittsburg & West'n 1st gold 4's, 1917	1,589,000	J & J	101⅛	Nov. 26,'02	101⅛	101	25,000
" J. P. M. & Co., ctfs., ...	8,111,000	......	101	Nov. 26,'02	101	101	1,000
Pittsburg, Y & Ash. 1st cons. 5's, 1927	1,562,000	M & N	111	June 3,'02	....	....	....
Reading Co. gen. g. 4's...........1997	64,762,000	J & J	96⅛	Nov. 29,'02	97⅞	96¼	934,000
" registered...................		J & J	92	Apr. 16,19'	....	....	....
" Jersey Cent. col. g. 4's..1957	23,000,000	......	92⅛	Nov. 29,'02	94	92⅛	21,000
" " registered.....	....	......	....		....	....	....
Rio Grande West'n 1st g. 4's.....1939	15,200,000	J & J	100	Nov. 28,'02	100	99¼	26,000
" mge & col.tr.g.4's ser.A.1949	10,000,000	A & O	91¼	Nov. 11,'02	91¼	91⅛	12,000
" Utah Cen. 1st gtd. g. 4's.1917	550,000	A & O	97	Jan. 3,02'	....	....	....
Rio Grande Junc'n 1st gtd. g. 5's, 1939	1,850,000	J & D	114	May 13,'02	....	....	....
Rio Grande Southern 1st g. 4's..1940	2,233,000	J & J	80½	July 3,'02	....	....	....
" guaranteed...............	2,277,000	......	94¼	Nov. 15,'02	94¼	94¼	1,000
Rutland RR 1st con. g. 4½ s....1941	2,440,000	J & J	....		....	....	....
{ Ogdnsb.&L.Ch'n.Ry.1st gtd g4s1948	4,400,000	J & J	....		....	....	....
{ Rutland Canadian 1st gtd.g.4's.1949	1,350,000	J & J	101¼	Nov. 18,'01	....	....	....
Salt Lake City 1st g. sink fu'd 6's, 1913	297,000	J & J	....		....	....	....
St. Jo. & Gr. Isl. 1st g. 2.3-4.2.......1947	3,500,000	J & J	97	Nov. 24,'02	97	97	6,000
St. L. & Adirondack Ry. 1st g. 5's.1996	800,000	J & J	....		....	....	....
" 2d g. 6's.................1996	400,000	A & O	....		....	....	....
St. Louis & San F. 2d 6's, Class B, 1906	999,000	M & N	105⅛	Nov. 17,'02	105⅛	105⅛	2,000
" 2d g. 6's, Class C......1906	830,000	M & N	108¼	Aug. 14,'02	....	....	....
" gen. g. 6's.............1931	3,715,000	J & J	130	Nov. 14,'02	130	130	3,000
" gen. g. 5's.............1931	5,817,000	J & J	115	Nov. 7,'02	115	115	1,000
St. L & San F. R. R. con. g. 4's.1996	1,595,000	J & D	101	Sept. 10,'02	....	....	....
" S. W. div. g. 5's........1947	830,000	A & O	100	Jan. 3,'02	....	....	....
" refunding g. 4's.......1951	40,514,000	J & J	94⅞	Nov. 20,'02	95	94⅞	29,000
" " registered...		J & J	....		....	....	....
Kan. Cy Ft.S.&MemRRcong6's1928	13,736,000	M & N	125⅛	June 16,'01	....	....	....
Kan.Cy Ft.S &MRyrefggtd g4s.1936	12,055,000	A & O	86	Nov. 29,'02	88	86	141,000
" registered................		A & O	....		....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs., 1989	20,000,000	M & N	96½	Nov. 29,'02	98	95¾	116,000
" 2d g. 4's inc. Bd. ctfs....1989	3,272,500	J & J	85⅛	Nov. 13,'02	85¾	85⅛	20,000
" Trust Co. certifs............	6,727,500	......	81⅝	June 30,'02	....	....	....
" con. g. 4's.... 1932	12,054,000	J & D	88	Nov. 20,'02	88	88	7,000
Gray's Point, Term. 1st gtd. g. 5's.1947	339,000	J & D	....		....	....	....
St. Paul, Minn. & Manito'a 2d 6's..1909	7,503,000	A & O	112	Oct. 8,'02	....	....	....
" 1st con. 6's............1933	13,344,000	J & J	137	Nov. 26,'02	137¾	136½	56,000
" 1st con. 6's, registered....		J & J	140	May 14,'02	....	....	....
" 1st c. 6's, red'd to g. 4½'s...	20,176,000	J & J	112⅝	Nov. 13,'02	112⅝	112⅝	1,000
" 1st cons. 6's register'd....		J & J	115¼	Apr. 15,'01	....	....	....
" Dakota ext'n g. 6's...1910	5,576,000	M & N	113⅜	Nov. 11,'02	113⅜	113⅛	8,000
" Mont. ext'n 1st g. 4's..1937	10,185,000	J & D	105¼	Nov. 17,'02	105¼	105¼	20,000
" registered..............		J & D	106	May 6,'01	....	....	....
Eastern R'y Minn, 1st d. 1st g. 5's..1908	4,700,000	A & O	107½	Sept. 26,'02	....	....	....
" registered..............		A & O	....		....	....	....
" Minn. N. div. 1st g. 4's..1940	5,000,000	A & O	....		....	....	....
" registered..............		A & O	....		....	....	....
Minneapolis Union 1st g. 6's....1922	2,150,000	J & J	128	Apr. 4,19'	....	....	....
Montana Cent. 1st 6's int. gtd..1937	6,000,000	J & J	133½	Sept. 27,'02	....	....	....
" 1st 6's, registered.........		J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's........... 1937	4,000,000	J & J	124½	June 12,'02	....	....	....
" registered..............		J & J	....		....	....	....
Willmar & Sioux Falls 1st g. 5's, 1938	3,625,000	J & D	125⅛	Feb. 17,'02	....	....	....
" registered..............		J & D	....		....	....	....
San Fe Pres.& Phoe.Ry.1st g.5's, 1942	4,940,000	M & S	111	Aug. 15,'01	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's, 1919	3,872,000	J & J	113¾	Dec. 11,'01	....	....	....
Sav. Florida & Wn. 1st c. g. 6's...1934	4,056,000	A & O	128	Oct. 28,'02	....	....	....
" 1st g. 5's................1934	2,444,000	A & O	112	Mar. 17,'99	....	....	....
" St. John's div. 1st g. 4's.1934	1,350,000	J & J	95¼	Nov. 30,'01	....	....	....
Alabama Midland 1st gtd. g. 5s.1928	2,800,000	M & N	112¼	Nov. 19,'02	112¼	111¼	31,000
Brunsw. & West. 1st gtd. g. 4's..1938	3,000,000	J & J	87	Aug. 22,'01	....	....	....
Sil.S.Oc.& G.R.R.& lg. gtd. g. 4's.1918	1,107,000	J & J	96	Oct. 24,'02	....	....	....
Seaboard Air Line Ry g. 4's......1950	12,775,000	A & O	83⅛	Nov. 29,'02	85	83	58,000
" registered................		A & O	....		....	....	....
" col. trust refdg g. 5's..1911	9,968,000	M & N	101½	Nov. 29,'02	102	101	99,000

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Seaboard & Roanoke 1st 5's.......1926	2,500,000	J & J	104¾	Feb. 5,'98	....	....	....
Carolina Central 1st con. g. 4's.1949	2,847,000	J & J	97	Oct. 10,'02	....	....	....
Sodus Bay & Sout'n 1st 5's, gold, 1924	500,000	J & J	100	Dec. 4,'01	....	....	....
Southern Pacific Co.							
" 2-5 year col. trust g. 4½'s.1905	15,000,000	J & D	100¾	Nov.28,'02	100¾	100¼	79,000
" g. 4's Central Pac. coll..1949	28,818,500	J & D	93¼	Nov.29,'02	94	92½	361,500
" " registered......		J & D	95	Apr.10,'02	....	....	....
Austin & Northw'n 1st g. 5's...1941	1,920,000	J & J	111	June26,'01	....	....	....
Cent. Pac. 1st refud. gtd. g. 4's..1949	58,041,000	F & A	102	Nov.29,'02	102	100½	104,000
" registered................		F & A	99⅞	June 1,19'	....	....	....
" mtge. gtd. g. 3½'s...1929	18,254,500	J & D	87	Nov.28,'02	87	86	53,000
" " registered........		J & D	....		....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's..1910	4,756,000	F & A	110	Nov.28,'02	110	110	13,000
" 2d g 7's..................1905	1,000,000	J & D	108	Mar. 26,'02	....	....	....
" Mex. & P. div 1st g 5's.1931	13,418,000	M & N	110¼	Apr. 28,'02	....	....	....
Gila Val.G.& N'n 1st gtd g 5's.1924	1,514,000	M & N	112	Oct. 20,'02	....	....	....
Houst. E. & W. Tex. 1st g. 5's..1933	501,000	M & N	103	Aug.18,'02	....	....	....
" 1st gtd. g. 5's.........1933	2,199,000	M & N	104½	July 13,19'	....	....	....
Houst. & T.C. 1st g 5's int. gtd..1937	5,960,000	J & J	111¼	Nov 26,'02	111¼	111¼	1,000
" con. g 6's int. gtd......1912	2,911,000	A & O	110¾	Nov. 8,'02	110¾	110¾	2,000
" gen. g 4's int. gtd......1921	4,287,000	A & O	90½	Nov.14,'02	93	90½	6,000
" W&Nwn.div.1st.g.6's.1930	1,105,000	M & N	127½	Feb. 27,'02	....	....	....
Morgan's La & Tex. 1st g 6's....1920	1,494,000	J & J	122	Sept.15,'02	....	....	....
" 1st 7's................1918	5,000,000	A & O	130	Nov.19,'02	130	130	2,000
N. Y. Tex. & Mex. gtd. 1st g 4's..1912	1,465,000	A & O	....		....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's.1907	3,964,000	J & J	94	Nov.30,'97	....	....	....
" gtd. g. 5's..................	4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's........1927	19,357,000	J & J	105½	Nov. 7,'01	....	....	....
San Ant.&Aran Pass 1st gtd g 4's.1943	18,900,000	J & J	86¼	Nov.29,'02	87¾	86¼	95,000
South'n Pac. of Ariz. 1st 6's.....1909	6,000,000	J & J	112¾	Apr. 18,'02	....	....	....
" " " 1910	4,000,000	J & J	112½	Aug. 7,'02	....	....	....
" of Cal. 1st g 6's ser. A.1905	29,192,500	A & O	105½	Nov.26,'02	105½	105½	2,000
" " " ser. B.1905		A & O	108	Dec. 23,'01	....	....	....
" " " C.& D.1906		A & O	110⅝	Jan. 14,'02	....	....	....
" " " E. & F.1902		A & O	114½	Nov. 3,'99	....	....	....
" " " 1912	....	A & O	119½	June13,'01	....	....	....
" 1st con. gtd. g 5's...1937	6,809,000	M & N	107	Nov.27,19'	....	....	....
" stamped........1905-1937	20,420,000	......	108¾	Nov.29,'02	108¾	108¾	7,500
So. Pacific Coast 1st gtd. g. 4's.1937	5,500,000	J & J	....		....	....	....
" of N. Mex. c. 1st 6's.1911	4,180,000	J & J	116¼	Apr. 23,'00	....	....	....
Tex. & New Orleans 1st 7's.......1905	862,000	F & A	108	May 20,'02	....	....	....
" Sabine div. 1st g 6's...1912	2,575,000	M & S	111½	Oct. 30,'02	....	....	....
" con. g 5's.............1943	1,620,000	J & J	108½	July 29,'01	....	....	....
Southern Railway 1st con. g 5's.1994	35,304,000	J & J	118¼	Nov.28,'02	119	118	139,000
" registered..................		J & J	122	Jan. 2,'02	....	....	....
Mob. & Ohio collat. trust g. 4's.1938	7,855,000	M & S	94½	Nov.28,'02	94½	94½	2,000
" registered..................		M & S	....		....	....	....
" Memph.div.1st g.4-4½-5's.1996	5,083,000	J & J	115	Mar. 18,'02	....	....	....
" registered..................		J & J	....		....	....	....
" St. Louis div. 1st g. 4's...1951	11,250,000	J & J	100½	Nov.28,'02	100½	99¾	11,000
" " registered..........		J & J	....		....	....	....
Alabama Central, 1st 6's........1918	1,000,000	J & J	120	Mar. 25,'01	....	....	....
Atlantic & Danville 1st g. 4's..1948	3,925,000	J & J	96	Sept.17,'02	....	....	....
Atlantic & Yadkin, 1st gtd g 4s.1949	1,500,000	A & O	....		....	....	....
Col. & Greenville. 1st 5-6's.....1916	2,000,000	J & J	120	Sept.10,'02	....	....	....
East Tenn., Va. & Ga. div. g. 5's.1930	3,106,000	J & J	117½	Nov.15,'02	117½	117½	4,000
" con. 1st g 5's...........1956	12,770,000	M & N	118½	Nov.14,'02	118½	118½	20,000
" reorg. lien g 4's........1938	4,500,000	M & S	114½	Nov. 6,'02	114½	114½	3,000
" registered................		M & S	....		....	....	....
Ga. Pacific Ry. 1st g 5-6's......1922	5,660,000	J & J	126	Nov.26,'02	126½	126	11,000
Knoxville & Ohio, 1st g 6's.....1925	2,000,000	J & J	126¾	Oct. 28,'02	....	....	....
Rich. & Danville, con. g 6's....1915	5,597,000	J & J	122	Oct. 3,'02	....	....	....
" equip. sink. f'd g 5's, 1909	818,000	M & S	101¼	July20,19'	....	....	....
" deb. 5's stamped......1927	3,368,000	A & O	112	Nov.17,'02	112	111¾	20,000
Rich. & Mecklenburg 1st g. 4's.1948	315,000	M & N	92	Sept. 9,'02	....	....	....
South Caro'a & Ga. 1st g. 5's...1919	5,250,000	M & S	106	Nov.19,'02	106½	106	10,000
Vir. Midland serial ser. A 6's..1906	600,000	M & S	....		....	....	....
" small......................		M & S	....		....	....	....
" ser. B 6's.............1911	1,900,000	M & S	....		....	....	....
" small......................		M & S	....		....	....	....
" ser. C 6's.............1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
" small......................		M & S	....		....	....	....
" ser. D 4-5's...........1921	950,000	M & S	113½	Nov.10,'02	113½	113½	5,000
" small......................		M & S	....		....	....	....
" ser. E 5's.............1926	1,775,000	M & S	114	Sept.10,'01	....	....	....
" small......................		M & S	....		....	....	....
" ser. F 5's.............1931	1,310,000	M & S	114	Sept. 9,'02	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	November Sales. High.	November Sales. Low.	November Sales. Total.
Virginia Midland gen. 5's	1936	2,392,000	M & N	117	Oct. 20,'02	....	....	....
" gen.5's. gtd. stamped	1926	2,466,000	M & N	116⅛	Dec. 30,'01	....	....	....
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	98	Apr. 22,'02	....	....	....
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	117¾	Nov.29,'02	118	117¾	22,000
Spokane Falls & North. 1st g. 6's	1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl. Ry. N.Y. 1st gtd. g. 4½'s	1943	500,000	J & D	104¼	Sept. 2,'02	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	111	Oct. 24,'02	....	....	....
" 1st con. g. 5's	1894–1944	5,000,000	F & A	119	Nov.14,'02	119	119	1,000
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	115½	May 15,'02	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th	1905	3,055,000	M & S	101¾	Sept.25,19'	....	....	....
" 1st gold 5's	2000	21,986,000	J & D	120¾	Nov.29,'02	120¾	120	15,000
" 2d gold income, 5's	2000	963,000	MAR.	100	Nov.10,'02	100	100	20,000
" La. Div. B. L. 1st g. 5's	1931	2,661,000	J & J	111	June 18,'01	....	....	....
Toledo & Ohio Cent. 1st g 5's	1935	3,000,000	J & J	114	Oct. 27,'02	....	....	....
" 1st M. g 5's West. div.	1935	2,500,000	A & O	113⅞	Nov.17,'02	113⅞	113⅞	8,000
" gen. g. 5's	1935	2,000,000	J & D	109	Sept.29,'02	....	....	....
" Kanaw & M. 1st g. g. 4's	1990	2,469,000	A & O	98½	Sept.27,'02	...	....	....
Toledo Peoria & W. 1st g 4's	1917	4,800,000	J & D	92	Aug.13,'02	....	....	....
Tol., St. L. & Wn. prior lien g 3½'s	1925	9,000,000	J & J	89	Nov.29,'02	90	89	32,000
" registered			J & J	....	....	....	....	....
" fifty years g. 4's	1925	6,500,000	A & O	79	Nov.25,'02	80	78	74,000
" registered			A & O	....	....	...	....	....
Toronto, Hamilton & Buff 1st g 4s	1946	3,280,000	J & D	98½	Aug.14,'02	....	....	....
Ulster & Delaware 1st c. g 5's	1925	1,852,000	J & D	114	Nov.28,'02	114	114	1,000
Union Pacific R. R. & ld gt g 4s	1947	100,000,000	J & J	104⅝	Nov.29,'02	105¼	104½	488,500
" registered			J & J	105¼	Sept.16,'02	....	....	....
" 1st lien con. g. 4's	1911	87,259,000	M & N	105⅝	Nov.29,'02	107⅝	105⅛	8,202,000
" registered			M & N	106	Apr. 14,'02	....	....	....
Oreg. R. R. & Nav. Co. con. g 4's	1946	21,482,000	J & D	103	Nov.29,'02	103¼	102½	111,000
Oreg. Short Line Ry. 1st g. 6's	1922	13,651,000	F & A	125¼	Nov.26,'02	126½	125⅛	21,000
" 1st con. g. 5's 1946		12,328,000	J & J	115½	Nov.29,'02	116	115	400,000
" 4's & participat'g g. bds.	1927	31,000,000	F & A	92½	Nov.29,'02	93⅞	92⅛	8,317,500
" registered			F & A	....	....	....	....	....
Utah & Northern 1st 7's	1908	4,993,000	J & J	115	Nov.24,'01	115	115	1,000
" g. 5's	1926	1,877,000	J & J	114½	Apr. 19,'02	....	....	....
Wabash R.R. Co., 1st gold 5's	1939	31,664,000	M & N	116⅛	Nov.29,'02	118	116	112,000
" 2d mortgage gold 5's	1939	14,000,000	F & A	107½	Nov.28,'02	110	107½	20,000
" deben. mtg series A	1939	3,500,000	J & J	100¼	Nov. 8,'02	100¼	100¼	3,000
" series B	1939	26,500,000	J & J	76	Nov.29,'02	81	75	5,390,000
" first lien eqpt. fd. g. 5's	1921	3,000,000	M & S	107	Aug.19,'02	....	....	....
" 1st g. 5's Det. & Chi. ex.	1940	3,411,000	J & J	110½	Oct. 27,'02	....	....	....
" Des Moines div. 1st g. 4s	1939	1,600,000	J & J	97	May 12,'02	....	....	....
" Omaha div. 1st g. 3½s	1941	3,500,000	A & O	83¼	Nov.25,'02	83¼	83¼	6,000
" Tol. & Chic. div. 1st g. 4's	1941	3,000,000	M & S	98	Mar. 17,'02	....	....	....
St. L., K. C. & N. St. Chas. B. 1st 6's	1908	1,000,000	A & O	111	Sept.11,'02	....	....	....
Western N.Y. & Penn. 1st g. 5's	1937	10,000,000	J & J	118¾	Nov.26,'02	119	118	13,000
" gen g. 3–4's	1943	9,789,000	A & O	99	Nov.19,'02	99	99	10,000
" inc. 5's	1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va. Cent'l & Pitts. 1st g. 6's	1911	3,250,000	J & J	114½	Jan. 20,'02	....	....	....
Wheeling & Lake Erie 1st g. 5's	1926	2,000,000	A & O	113	Nov.13,'02	113	113	1,000
" Wheeling div. 1st g. 5's	1928	894,000	J & J	113	Sept. 9,'02	....	....	....
" exten. and imp. g. 5's	1930	343,000	F & A	111⅝	Oct. 23,'02	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's	1949	11,130,000	M & S	92	Nov.28,'0'	93	91½	82,000
Wisconsin Cen. R'y 1st gen. g. 4s	1949	23,897,000	J & J	91¾	Nov.29,'02	92½	91	419,000
STREET RAILWAY BONDS.								
Brooklyn Rapid Transit g. 5's	1945	6,625,000	A & O	103	Nov.29,'02	103	102	16,000
" Atl. av. Bkn. imp. g. 5's	1934	1,500,000	J & J	110	Jan. 20,'99	....	....	....
" City R. R. 1st c. 5's 1916.	1941	4,373,000	J & J	114	May 28,'02	....	....	....
" Qu. Co. & Sur. con. gtd. g. 5's	1941	2,255,000	M & N	103	Sept.17,'02	....	....	....
" Union Elev. 1st. g. 4-5s	1950	16,000,000	F & A	101⅜	Nov.28,'02	101½	100¾	162,000
" stamped guaranteed			......	101¼	July 24,'02	....	....	....
Kings Co. Elev. R. R. 1st g. 4's	1949	7,000,000	F & A	87	Nov.10,'02	87	86	74,000
" stamped guaranteed			......	....	....	....	....	....
Nassau Electric R. R. gtd. g. 4's	1951	10,474,000	J & J	....	....	....	....	....
City & Sub. R'y, Balt. 1st g. 5's	1922	2,430,000	J & D	105¾	Apr. 17,'95	....	....	....
Conn. Ry. & Lightg 1st & rfg. g 4½'s	1951	8,355,000	J & J	99⅞	Oct. 30,'02	....	....	....
Denver Con. T'way Co. 1st g. 5's	1933	730,000	A & O	97½	June 13,19'	....	....	....
Denver T'way Co. con. g. 6's	1910	1,219,000	J & J	....	....	....	....	....
Metropol'n Ry Co. 1st g. g. 6's	1911	918,000	J & J	....	....	....	....	....
Detroit Cit'ens St. Ry. 1st con. g. 5's	1905	5,485,000	J & J	103	Nov.23,'01	....	....	....
Grand Rapids Ry 1st g. 5's	1916	2,500,000	J & D	....	....	....	....	....
Louisville Railw'y Co. 1st c. g. 5's	1930	4,600,000	J & J	109	Mar. 19,'98	....	....	....
Market St. Cable Railway 1st 6's	1913	3,000,000	J & J	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	NOVEMBER SALES. High.	NOVEMBER SALES. Low.	NOVEMBER SALES. Total.
Metro. St. Ry N.Y.g. col. tr.g.5's.1997	12,500,000	F & A	117½	Nov.29,'02	118	117½	27,000
" refunding 4's..........2002	12,780,000	A & O	96½	Nov.25,'02	96½	96¼	22,000
B'way & 7th ave. 1st con. g. 5's, 1943	7,650,000	J & D	119	Nov. 7,'02	119	119	2,000
" registered		J & D	119½	Dec. 3,19'	....	....	....
Columb. & 9th ave.1st gtd g 5's, 1993	3,000,000	M & S	121	Nov.28,'02	121	120	4,000
" registered..................		M & S	....		....	....	....
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	121	Nov.22,'02	121	120½	7,000
" registered..................		M & S	....		....	....	....
Third Ave. R.R. 1st c.gtd.g.4's..2000	35,000,000	J & J	98¾	Nov.29,'02	99½	98¼	75,000
" registered..................		J & J	....		....	....	....
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	121	Nov.20,'02	121	120¼	77,000
Met. West Side Elev.Chic. 1st g.4's.1938	10,000,000	F & A	101	Nov.26,'02	101¼	101	289,000
" registered..................		F & A	....		....	....	....
Mil.Elec.R.&Light con.30yr.g.5's.1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's........................1919	4,050,000	J & J	110	June28,'01	....	....	....
St. Paul City Ry. Cable con.g.5's.1937	2,480,000	J&J15	114½	Nov.14,'01	....	....	....
" gtd. gold 5's 1937	1,138,000	J & J	112	Nov.28,'99	....	....	....
Union Elevated (Chic.) 1st g.5's.1945	4,387,000	A & O	109½	Dec. 14,'99	....	....	....
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N	....		....	....	....
" 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28, '97	....	....	....

MISCELLANEOUS BONDS.

NAME. Principal Due.	Amount.	Int'st Paid.	Price.	Date.	High.	Low.	Total.
Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	104½	Nov.21,'02	105	104½	29,500
Am.Steamship Co.of W.Va.g.5's 1920	5,452,000	M & N	100¾	June 4,'02	....	....	....
B'klynFerryCo.ofN.Y.1stc.g.5's.1948	6,500,000	F & A	78	Nov.28,'02	79¼	78	14,000
Chic. Junc. & St'k Y'ds col. g. 5's.1915	10,000,000	J & J	111	Mar. 7,'01	....	....	....
De.Mac.&.Mar.ld.gt.3½'s sem.an.1911	2,771,000	A & O	86	Nov.29,'02	86	74½	264,000
Hackensack Water Co. 1st 4's....1952	3,000,000	J & J	....		....	....	....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g. 5's....1919	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's.1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuilding & Dry Dock 5's............1890–1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's...1951	11,580,000	F & A	95¼	Nov.25,'02	96	95¼	21,500
" registered..................		F & A	....		....	....	....
St.Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & J	....		....	....	....
St. Louis Terml. Cupples Station & Property Co. 1st g 4½'s 5-20..1917	3,000,000	J & D	....		....	....	....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	101	Feb. 19,'97	....	....	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	113½	Dec. 18,19'	....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series D 4½'s 1901-1916	1,000,000	J & J	....		....	....	....
" E 4's 1907-1917	1,000,000	J & D	....		....	....	....
" F 4's 1908-1918	1,000,000	M & S	....		....	....	....
" G 4's................1903-1918	1,000,000	F & A	100	Mar. 15,19'	....	....	....
" H 4's................1903-1918	1,000,000	M & N	....		....	....	....
" I 4's................1904-1919	1,000,000	F & A	....		....	....	....
" J 4's................1904-1919	1,000,000	M & N	....		....	....	....
" K 4's................1905-1920	1,000,000	J & J	....		....	....	....
Small bonds........................	....	......	....		....	....	....
BONDS OF MANUFACTURING AND INDUSTRIAL CORPORATIONS.							
Am. BicycleCo.sink.fund deb.5's.1919	9,234,000	M & S	46	Nov.26,'02	46	42	27,000
Am. Cotton Oil deb. ext. 4½'s....1915	2,919,000	......	98½	Nov.29,'02	99	98½	17,000
Am. Hide & Lea. Co. 1st s. f. 6's...1919	8,375,000	M & S	95	Nov.24,'02	97	95	42,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & S	87½	Nov.29,'02	89	86½	20,000
Am.Thread Co..1st coll.trust 4's.1919	6,000,000	J & J	82	June25,'02	....	....	....
Barney & Smith Car Co. 1st g. 6's.1942	1,000,000	J & J	105	Jan. 10,19'	....	....	....
Consol. Tobacco Co. 50 year g. 4's.1951	156,518,400	F & A	63¼	Nov.29,'02	66⅞	63	4,047,000
" registered..................		F & A	66½	Oct. 8,'02	....	....	....
Dis. Co. of Am. coll. trust g 5's..1911	3,580,000	J & J	97½	Oct. 29,'02	....	....	....
Gramercy Sugar Co.. 1st g. 6's....1923	1,400,000	A & O	99⅞	Apr. 30,'02	....	....	....
Illinois Steel Co. debenture 5's...1910	6,200,000	J & J	99	Jan. 17,'99	....	....	....
" non. conv. deb. 5's......1910	7,000,000	A & O	100	May 2,'02	....	....	....
Internat'l PaperCo. 1st con.g 6's.1918	9,326,000	F & A	108½	Nov.14,'02	108½	108½	3,000

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MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
Knick'r'ker IceCo.(Chic)1st g 5's.1928	2,000,000	A & O	93	Aug.25,19'	....	....	....
Nat. Starch Mfg. Co., 1st g 6's...1920	3,002,000	J & J	96	Oct. 29,'02	....	....	....
Nat. Starch. Co's fd. deb. g. 5's..1925	4,137,000	J & J	80	Nov.11,'02	80	73	16,000
Standard Rope & Twine 1st g. 6's.1946	2,740,000	F & A	65	Nov.14,'02	65	65	8,000
" " inc. g. 5's.1946	7,500,000	......	10½	Nov.28,'02	14⅛	10½	208,000
U. S. Env. Co. 1st sk. fd. g. 6's...1918	2,000,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb..1915	5,280,000	M & N	111	Nov.25,'02	111	110⅛	82,500
U. S. Reduction & Refin. Co. 6's..1931	....	......	85	Oct. 23,'02	....	....	....
BONDS OF COAL AND IRON COMPANIES.							
Colo. C'l & I'n Devel.Co. gtd g.5's.1909	700,000	J & J	55	Nov. 2,19'	....	....	....
" Coupons off..................	....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's..........1919	680,000	M & N	110½	Aug.22,'02	....	....	....
Col. Fuel & Iron Co. gen. sf g 5's..1943	5,311,000	F & A	103	Oct. 30,'02	....	....	....
" conv. deb. g. 5's.........1911	12,069,000	F & A	95½	Nov.29,'02	98	92¼	1,517,000
" registered..................		F & A	....	....	....	....	....
Continental Coal 1st s. f. gtd. 5's..1952	2,750,000	F & A	....	....	....	....	....
Grand Riv. Coal & Coke 1st g. 6's.1919	949,000	A & O	115	June23,'02	....	....	....
Jefferson & Clearfield Coal & Ir.							
" 1st g. 5's..................1926	1,777,000	J & D	105⅛	Oct. 10,'98	....	....	....
" 2d g. 5 s...................1926	1,000,000	J & D	80	May 4,'97	....	....	....
Kan. & Hoc. Coal&Coke 1st g.5's 1951	2,750,000	J & J	105	Oct. 24,19'	....	....	....
Pleasant Valley Coal 1st g. s.f.5s.1928	1,192,000	J & J	106¼	Feb. 27,'02	....	....	....
Roch &Pitts.Cl&Ir.Co.pur my5's.1946	1,092,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's..1912	379,000	J & D	....	....	....	....	....
Ten. Coal, I. & R. T. d. 1st g 6's...1917	1,244,000	A & O	107½	Nov.19,'02	107½	107⅛	7,000
{ " Bir. div. 1st con. 6's...1917	3,399,000	J & J	110⅛	Nov.25,'02	110⅛	110⅛	3,000
{ Cah. Coal M. Co. 1st gtd. g 6's..1922	1,000,000	J & J	105	Feb. 10,19'	....	....	....
{ De Bard. C & I Co. gtd. g 6's...1910	2,771,000	F & A	102⅛	Nov.19,'02	103	100⅛	21,000
Wheel L. E. & P. Cl Co. 1st g 5's.1919	836,000	J & J	32	Jan. 15,19'	....	....	....
GAS & ELECTRIC LIGHT CO. BONDS.							
Atlanta Gas Light Co. 1st g. 5's..1947	1,150,000	J & D	....	....	....	....	....
Bost. Un.Gas 1st ctfs s'k f'dg.5's..1939	7,000,000	J & J	80¾	Feb. 20,'01	....	....	....
B'klyn Union GasCo.1stcong. 5's.1945	14,493,000	M & N	116	Nov.17,'02	117	115⅛	10,000
Columbus Gas Co., 1st g. 5's......1932	1,215,000	J & J	104½	Jan. 28,'98	....	...	....
Detroit City Gas Co. g. 5's.......1923	5,803,000	J & J	98⅛	Nov.22,'02	98⅛	96⅞	33,000
Detroit Gas Co. 1st con.g.5's.....1918	881,000	F & A	104	May 24,'02	....	....	....
Equitable Gas Light Co. of N. Y.							
1st con. g. 5's...........1932	3,500,000	M & S	117	Nov. 8,'02	117	117	10,000
Gas. & Elec.of Bergen Co, c.g.5s.1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Grand Rapids G. L. Co. 1stg.5's.1915	1,225,000	F & A	107¾	Dec. 17,19'	....	....	....
Kansas City Mo. Gas Co. 1st g 5's.1922	3,750,000	A & O	....	....	....	....	....
Kings Co. Elec. L.&Power g. 5's..1937	2,500,000	A & O	....	....	....	....	....
} " purchase money 6's....1997	5,000,000	J & J	121	Oct. 1,'02	....	....	....
} Edison El.Ill.Bkln 1st con.g.4's.1939	4,275,000	J & J	97½	Sept.19,'02	....	....	....
Lac. Gas L't Co. of St. L. 1st g. 5's.1919	10,000,000	Q F	108¼	Nov.26,'02	108½	108	20,000
" small bonds.................			97½	Nov. 1,'95	....	....	....
Milwaukee Gas Light Co. 1st 4's..1927	6,500,000	M & N	95	July 31,'02	....	....	....
Newark Cons. Gas, con. g. 5's....1948	5,274,000	J & D	....	....	....	....	....
N.Y.GasEL.H&PCo1stcol tr g 5's.1948	11,500,000	J & D	113⅛	Nov.28,'02	113⅛	113	30,000
{ " registered..................		J & D					
{ " purchase mny col tr g 4's.1949	20,389,000	F & A	94⅛	Nov.28,'02	95¼	94	223,000
{ Edison El. Illu. 1st conv. g. 5's.1910	4,312,000	M & S	105¼	Nov.25,'02	106	105¼	8,000
{ " 1st con. g. 5's...........1995	2,156,000	J & J	121	Oct. 24,'02	....	....	....
N.Y.&Qus.Elec.Lg.&P.1st.c.g.5's1930	1,930,000	F & A	108	Nov.25,'02	108	108	1,000
Paterson&Pas. G.&E. con.g.5's..1949	3,317,000	M & S	....	....	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's.1904	2,100,000	M & N	104	June 7,'02	....	....	....
{ " 2d gtd. g. 6's............1904	2,500,000	J & D	104½	Nov.14,'02	104⅝	104½	21,500
{ " 1st con. g 6's............1943	4,900,000	A & O	121	Nov.24,'02	121	120½	13,000
{ " refunding g. 5's........1947	2,500,000	M & S	104	Nov.12,'02	104	104	3,000
{ " refuding registered....		M & S	....	....	....	....	....
{ Chic.Gas Lt&Coke 1st gtd g.5's.1937	10,000,000	J & J	110	Nov. 7,'02	110	110	1,000
{ Con. Gas Co.Chic. 1st gtd.g.5's.1936	4,346,000	J & D	103	July 31,'02	....	....	....
{ Eq.Gas&Fuel,Chic.1stgtd.g.6's.1905	2,000,000	J & J	104¾	Nov.20,'02	104¾	104½	9,000
{ MutualFuelGasCo.1stgtd.g.5's.1947	5,000,000	M & N	105	Oct. 23,'02	....	....	....
{ " registered..................	....	......	....	....	....	....	....
Trenton Gas & Electric 1st g. 5's.1949	1,500,000	M & S	109	Feb. 8,'01	....	....	....
Utica Elec. L. & P. 1st s. f'd g.5's.1950	500,000	J & J	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	NOVEMBER SALES. *High*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
TELEGRAPH AND TELEPHONE CO. BONDS.							
Am.Teleph.&Teleg.coll.trust.4's.1929	28,000,000	J & J	97¼	Aug. 8,'02	....	....	....
Commercial Cable Co. 1st g. 4's.2397.	10,928,000	Q & J	100½	Apr. 8,'02	....	....	....
• registered....................		Q & J	100½	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.							
Erie Teleg. & Tel. col. tr. g s fd 5's.1926	3,905,000	J & J	109	Oct. 7,'99	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's.1918	2,000,000	M & N	114	Nov. 7,'02	114	114	25,000
• registered......................		M & N					
N. Y. & N. J. Tel. gen. g 5's.......1920	1,261,000	M & N	113¼	Oct. 4,'01	....	....	... .
Western Union col. tr. cur. 5's...1938	8,504,000	J & J	110½	Nov.14,'02	110½	110	6,000
• fundg & real estate g.4½'s.1950	13,000,000	M & N	105	Nov 22,'02	105⅝	104⅛	68,000
Mutual Union Tel. s. fd. 6's....1911	1,957,000	M & N	111	June17,'02	....	....	....
Northwestern Telegraph 7's...1904	1,250,000	J & J	104	May 9,'02	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME *Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1902. *High.*	YEAR 1902. *Low.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
United States con. 2's registered...1930		Q J	109⅞	108¼	....	....	......
• con. 2's coupon............1930	445,940,750	Q J	109⅝	107¾	108¾	108¾	2,000
• con. 2's reg. small bonds..1930		Q J	....	....	....	....	......
• con. 2's coupon small bds.1930		Q J	....	....	....	....	......
• 3's registered..........1908-18		Q F	109⅛	105½	108¼	108¼	29,000
• 3's coupon..............1908-18	97,515,660	Q F	110	106½	108¼	108	7,000
• 3's small bonds reg.....1908-18		Q F	107	107	....	....	......
• 3's small bonds coupon.1908-18		Q F	109½	106⅝	....	....	......
• 4's registered..............1907	233,177,490	J A J&O	112½	108¼	111	109⅝	78,200
• 4's coupon..................1907		J A J&O	113	108¾	....	....	......
• 4's registered..............1925	134,994,200	Q F	139½	132	....	....	......
• 4's coupon..................1925		Q F	139¾	136½	136½	136½	14,000
• 5's registered..............1904	19,410,350	Q F	106½	104	....	....	......
• 5's coupon..................1904		Q F	106¼	103⅞	105	103⅞	30,000
District of Columbia 3-65's..........1924		F & A	....	....	....	....	......
• small bonds......................	14,224,100	F & A	....	....	....	....	......
• registered........................		F & A	....	....	....	....	......
STATE SECURITIES.							
Alabama Class A 4 and 5..............1906	6,859,000	J & J	107	102½	....	....	......
• • small............	....	....	....	....	....	....	......
• Class B 5's....................1906	575,000	J & J	102½	102½	....	....	......
• Class C 4's....................1906	962,000	J & J	....	....	....	....	......
• currency funding 4's.......1920	954,000	J & J	111	111	....	....	......
District of Columbia. See U. S. Gov.							
Louisiana new con. 4's...............1914	10,752,800	J & J	107	106	....	....	......
• • small bonds..........		....	....	....	....	....	......
Missouri fdg. bonds due.........1894-1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's...............1910	3,397,350	J & J	104½	104	104	104	1,000
• small........................		J & J					
• 6's.........................1919	2,720,000	A & O	....	....	....	....	......
South Carolina 4½'s 20-40............1933	4,392,500	J & J	....	....	....	....	......
Tennessee new settlement 3's.........1913	6,681,000	J & J	96⅝	95½	....	....	......
• registered......................	6,079,000	J & J	95½	95½	....	....	......
• small bond......................	362,200	J & J	95	94	....	....	......
Virginia fund debt 2-3's of...........1991	18,039,896	J & J	99¾	95¼	....	....	......
• registered......................		J & J			....	....	......
• 6's deferred cts. Issue of 1871	4,724,966	....	7¼	7¼	....	....	......
• • Brown Bros. & Co. ctfs. of deposit. Issue of 1871.....	7,936,565	....	15⅝	8	12¼	11	171,000
FOREIGN GOVERNMENT SECURITIES.							
Frankfort-on the-Main, Germany, bond loan 3½'s series 1......1901	14,776,000 (Marks.)	M & S	95½	94¾	....	....	......
Four marks are equal to one dollar.							
Imperial Russian Gov. State 4% Rente....	2,319,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.							
Quebec 5's..............................1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's....................	....	Q J	100	96	....	....	......
Regular delivery in denominations of £100 and £200).......................	£22,407,660	......	....	....	....	....	......
Small bonds denominations of £20......	....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.	....	......	....	....	....	....	......